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STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1989

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

Norman H. Bangerter	Governor
W. Val Oveson	Lt. Governor
Tom L. Allen	State Auditor
Edward T. Alter	State Treasurer
Paul R. Van Dam	Attorney General
Arnold Christensen	President of the Senate
Nolan E. Karras	Speaker of the House
Gordon R. Hall	Chief Justice Supreme Court

OTHER STATE OFFICIALS

Carolyn P. Lloyd	Executive Director, Dept. of Administrative Services
Gordon L. Crabtree, CPA	Director, Division of Finance
Dale Hatch, CPA	Director, State Planning and Budget Office
Leo L. Memmott	Legislative Fiscal Analyst
Wayne Welsh, CPA	Legislative Auditor General
Richard V. Strong	Director, Legislative Research and General Counsel

ACKNOWLEDGMENTS

Report Prepared By:
Division of Finance, Accounting Standards and Financial Reporting Section
Lynn H. Vellinga, CPA
Eugene F. Baird
Lynn G. Bodrero, CPA
David Byg
Janice DeVore
Neal J. Francom
Susan C. Lundquist
R. Craig Morrison
Dennis R. Pettey, CPA
David H. Pierce, CPA
Larry G. Simpson, CPA
David T. Thackeray, CPA

Photos: Courtesy of Utah Travel Council, Salt Lake Convention & Visitors Bureau, Utah Centers of Excellence, Unisys and Utah Department of Transportation.

Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.

Cover: Beautiful desert flowers bloom in Utah's Dixie.
Salt Lake City, the capital city and largest population center of the state.

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1989

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State of Utah
Department of Administrative Services
Division of Finance

Norman H. Bangerter
Governor
Gordon L. Crabtree, C.P.A.
Director

2110 State Office Building
Salt Lake City, Utah
(801) 538-3020

December 8, 1989

To the Citizens, Governor,
and Members of the Legislature
of the State of Utah

It is our pleasure to present the 1989 Comprehensive Annual Financial Report of the State of Utah in accordance with Section 63-1-16 of the *Utah Code Annotated, 1953*, as amended. The responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures rest with the State's management. To the best of our knowledge and belief the enclosed data accurately presents the State's financial position and results of operations in all material respects. All disclosures that are in our opinion necessary to enable the reader to gain an understanding of the State's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section contains a list of principal officials, this transmittal letter, the State organization chart and graphic presentations to give you an overview of State operations. The financial section includes the general purpose financial statements and footnotes, the individual and combining fund and account group financial statements as well as the State Auditor's Report. The statistical section includes a history of selected financial and demographic information.

The State is required to undergo an annual "single audit" to conform with the Federal Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, *Audits of State and Local Governments.* Information relating to the single audit, including the schedule of federal financial assistance, audit findings and recommendations and the auditors' report, are issued in a separate report and will be available at a later date.

This report includes all funds and account groups of the State of Utah. Included in the funds are the various departments, agencies, and other organizational units governed by the State legislature and/or the constitutional officers of the State of Utah. The State provides a range of services including education, health and social services, highway maintenance and construction (transportation), law enforcement, judicial, public safety, natural resource management and community and economic development. The costs of these services are reflected in detail and in summary in this report. In addition to general government activities we have included quasi-governmental entities where the State has the authority to exercise some oversight controls. The following criteria were used in determining if a particular entity should be included in this report: are State officials responsible for the selection of the governing authority, for the appointment of management, or for fiscal accountability. The quasi-governmental entities that are a part of this report include, but are not limited to, the Utah State Retirement Office, Unemployment Compensation Trust Fund, Workers' Compensation Fund, Utah Housing Finance Agency, Alcoholic Beverage Control Commission, Board of Regents Student Assistance Programs and State Colleges and Universities.

ECONOMIC OUTLOOK

After two difficult years, Utah's economy looks bright. Between 1985 and 1987, the economy experienced a severe slowdown, including major setbacks in the mining and construction industries. Manufacturing also hit hard times. Coinciding with the slow moving economy was an unprecedented number of children entering Utah's public schools. These circumstances posed considerable challenges to the State.

Today, however, Utah is on the rebound. Employment growth as an economic indicator looks much stronger. In 1985, Utah's average annual employment growth rate was 3.9 percent. The rate slowed and dropped to a low in 1987 of 1.0 percent. The main causes of this drop were the temporary closures of Kennecott Copper, Inc. and Geneva Steel Inc., the drop in oil prices and the decline in construction. Employment growth increased in 1988 to 3.1 percent and in 1989 the average annual growth rate is expected to be 3.9 percent, a substantial rise from the previous two years.

Most of the State's employment growth continues to be in the service industries. Of the 11,900 service industry jobs created, nearly half (5,200) were in the business services. Telemarketing, computer related services and contract services are responsible for most of this growth. The State's wholesale and retail trade was the second largest job provider. Utah's growth in manufacturing jobs was 3.2 percent, the second highest in the nation. Government, transportation, communication and public utilities jobs continue to experience moderate growth. Only the oil and gas industry and residential construction industry continue to struggle. A healthy mix of new businesses and expansion of existing businesses, however, has brought employment back to desirable levels.

Wages in Utah also show signs of a recovery. In 1989, total nonfarm wages are projected to rise by 7.3 percent as compared to a 5.8 percent increase in 1988. Total personal income is expected to exceed $22 billion which is a $1.5 billion increase over last year.

On July 1, 1988, Utah's population reached an estimated 1,691,000, a 0.7 percent increase over 1987. This is the smallest annual increase of the 1980s. This smaller increase is the result of a decline in natural increase (births minus deaths) and continued net out-migration. The State is still growing faster than the national average and, with the improving economy, out-migration has slowed significantly.

Utah's demographics are unique. On the average, Utah residents are the youngest in the nation. Currently, the median age in the U.S. is 32.1 years while in Utah it is 25.5. By the year 2000, the U.S. median age is expected to increase to 36.5 while Utah's is expected to rise to 28.7.

Utah has one of the highest education rates in the nation. With a well educated and abundant work force the State continues to be an attractive site for business growth.

The tourist and convention industry continues to provide economic growth to the State with over 11 million people who annually visit the State's numerous ski areas, national parks and historic areas, and enjoy the State's outdoor, recreational and cultural activities.

Though Utah's future looks bright, the State is still tied into the national economy and any projected U.S. economic slowdowns would have some negative effect on the State's economy.

MAJOR INITIATIVES

The rebound in the State's economy over the past two years and a large tax increase in 1987 have combined to provide significant increases in tax revenues. In response to the economic turnaround, the governor and the legislature have reduced individual income tax rates for the last two years. Additionally, in 1988 a one time refund of over $71,000,000 in income taxes was paid to individuals.

Tax reform and controlled growth of government spending continue to be major concerns of the governor and the legislature. This controlled growth of course must be balanced with the continued growth in demand for governmental services.

Utah ranks first in the nation in the percent of population ages 5 to 17, and has the largest ratio of school age population to working age population in the nation. This makes educational needs one of the most pressing problems facing the State. The State continues to value education; therefore, additional funding for education combined with educational reforms are constantly being addressed by the State as well as by local governments.

Transportation and infrastructure needs of the State continue to grow with the population increases. Enhancements to mass transit as well as to the highway systems in the heavily populated Salt Lake City and surrounding metropolitan areas are in various stages of completion, from long range planning to construction and renovation.

The State has a semi-arid climate and thus maintaining an adequate water supply is always of great concern. The State is continually involved in water development and conservation projects ranging from small local water projects to major reservoir storage projects.

Utahns are excited about the potential of hosting the 1998 or 2002 International Winter Olympics. In 1989, Salt Lake City was selected by the United States Olympic Committee as the United States' bid city. In November the voters decided to support efforts to pursue the international olympics bid from the International Olympics Committee. In addition, the voters supported using limited tax funds to build a luge and bobsled run, a speed skating rink and ski jumps.

FINANCIAL INFORMATION

Internal Control:

The State's system of internal controls over the accounting system have been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and ensuring the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Control:

The State Constitution requires that budgeted expenditures should not exceed estimated revenues and other sources of funding. Annually, the governor is required to submit a balanced budget to the legislature. The legislature authorizes expenditures in the annual State *Appropriations Act*. The Act also identifies the sources of funding for budgeted expenditures. The budget is generally prepared on a basis consistent with generally accepted accounting principles (GAAP) except for accounting for certain intrafund activity.

In the event actual revenues are insufficient to cover budgeted expenditures, the governor must order budgets reduced. Adjustments to the budget may be made throughout the year for changes in departmental revenues or fund revenues so that departments and funds will not end the fiscal year in a deficit position.

The 1989 Legislature passed a spending limitation bill which limited growth in State spending. The legislation provides three basic limitations. First, as population and inflation increases, appropriations are only allowed to increase at the same relative rate. Second, it limits outstanding State general obligation debt to 20 percent of the spending limit. Third, it freezes the basic property tax rate which funds a portion of public education.

The above limits can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the legislature, or if approved by a vote of the people. However, the spending limit statute may be amended by a majority of both houses of the legislature.

The State was $998,000 below the spending limitation in fiscal year 1989 and the fiscal year 1990 budget is currently $35,483,000 below the spending limitation.

General Governmental Functions:

General governmental functions are represented by the general fund, the special revenue funds, the debt service fund, the capital projects fund, the general long-term debt account group and the general fixed assets account group.

Revenues for general government functions totaled $2,725,545,000 in 1989, an increase of 13.0% over 1988. The amount of revenues from various sources and the changes from last year are shown as follows:

Revenue Source	Amount	Percent of Total	Increase From 1988 Amount	Increase From 1988 Percent
Sales Taxes	$ 666,841,000	24.5%	$ 50,750,000	8.2%
Individual Income Taxes	636,514,000	23.4	105,822,000	19.9
Corporate Income Taxes	95,793,000	3.5	12,366,000	14.8
Motor and Special Fuel Taxes	160,525,000	5.9	3,601,000	2.3
Licenses, Fees and Permits	55,900,000	2.1	3,292,000	6.3
Interest on Investments	33,717,000	1.2	5,618,000	20.0
Federal Revenues	775,245,000	28.4	104,990,000	15.7
Other Taxes and Revenues	301,010,000	11.0	27,815,000	10.2
Total	$ 2,725,545,000	100.0%	$ 314,254,000	13.0%

The Sales and Use Taxes, the largest unrestricted source of State tax revenues, increase of $50,750,000 or 8.2% over the previous year was the result of increased economic growth including continued growth in the coal mining industry, and the increased production from the Geneva Steel plant and Kennecott's mining operation. The most significant growth was in the service and manufacturing sectors.

The increase of individual income taxes amounting to $105,822,000 or 19.9% was due mainly to State tax reforms which created one time reductions in the previous year. In the 1988 fiscal year the legislature authorized a 12.5% one time refund of individual income tax revenues which resulted in a $71,000,000 reduction in the 1988 revenue. The remaining 1989 individual income tax growth of $34 million is attributable to the increased growth in jobs and wages. The corporate income taxes increased $12,366,000 or 14.8%. The increase was due to an increase in corporate profits from the rebounding of the mineral industries, and the retail and service related industries.

The Motor and Special Fuel Taxes increase of $3,601,000 or 2.3% was attributable to increased fuel consumption.

The Licenses, Fees and Permits increase of $3,292,000 or 6.3% is attributable to some increases in fee rates as well as increased numbers of various professional licenses being issued. This increase comes from the expanding population and the growth in service related jobs.

The Interest on Investments increase of $5,618,000 or 20.0% was the result of increases in the average investment yield for fiscal year ended June 30, 1989 to 8.93%, compared to an average annual yield of 7.1% for fiscal year ended June 30, 1988. The 1989 average daily cash balance of the treasurer was similar to the 1988 balance.

The Other Taxes and Revenues increase of $27,815,000 or 10.2% was mainly the result of a $20,060,000 one time receipt of federal mineral lease monies. The federal government released coal and mining lease funds that had been paid by various mining companies in prior years under protest.

The Federal revenue increase of $104,990,000 or 15.7% was attributable to increased federal highway revenues of $73,643,000, federal revenue increase of $9,765,000 for public education which was mainly due to increased funding for nutritional programs and programs for students at risk, and an increase in federal revenue for medicaid and social service programs of $21,494,000.

Expenditures and other uses for total general governmental functions were $2,641,750,000 an increase of 8.7% over 1988. State government expenditures and other uses by function and the changes from last year are as follows:

Function	Amount	Percent of Total	Increase From 1988 Amount	Increase From 1988 Percent
General Government	$ 167,060,000	6.3%	$ 17,837,000	12.0%
Education:				
Public	823,576,000	31.2	35,803,000	4.5
Higher	273,379,000	10.4	9,906,000	3.8
Social Services, Corrections and Health	652,692,000	24.7	26,083,000	4.2
Transportation and Public Safety	440,509,000	16.7	88,829,000	25.3
Natural Resources	60,778,000	2.3	3,121,000	5.4
Community and Economic Development	58,001,000	2.2	5,353,000	10.2
Business, Labor and Agriculture	23,524,000	0.9	2,455,000	11.7
Debt Service	64,601,000	2.4	6,154,000	10.5
Capital Projects	77,630,000	2.9	15,167,000	24.3
Total	$ 2,641,750,000	100.0%	$ 210,708,000	8.7%

The increase in General Government expenditures of $17,837,000 or 12.0% is mainly attributable to a lease purchase of the Provo Regional Center for $16,186,000 and increased cost in the State's Judicial Council by $9,282,000. The Judicial Council funds were used to transfer the responsibility for district courts from counties to the State. The increases were offset by a one time expenditure in the prior fiscal year for funding an early retirement program costing $5,847,000.

Expenditures for public and higher education is the largest use of State revenues. The Higher Education expenditures includes $268,906,000 which has been classified as transfers to the colleges and universities in the financial statements. The increase of 4.5% in Public Education and increase of 3.8% in Higher Education reflects the additional funding for the increase in school age population.

The social services, corrections and health expenditures increased $26,083,000 or 4.2%. A portion of this increase amounting to $3,776,000 went to the Department of Corrections to cover the costs of increasing prison populations. The Departments of Social Services and Health expenditures increased by $20,723,000. This was the result of program expansions and an increased number of people receiving public assistance. The largest increases occurred in: various community based social programs $3,232,000, food stamps and food commodities distributions $4,978,000, environmental health programs $3,243,000, family health services $4,822,000 and medical assistance $5,223,000. Most of the funding for these increases came from the federal government.

The Transportation and Public Safety expenditures increase of $88,829,000 or 25.3% was due mainly to highway construction increases of $85,887,000. The largest portion of the increase came from the federal projects, including completion of the interstate system.

The Debt Service expenditures increase of 10.5% was due to the start of the 1986 bond principal payments. The current debt service level is representative of the expected debt level for the next several years.

The Capital Project expenditures increase was mostly related to increased building construction funded from the capital facilities bonds issued in 1987.

Each fund of the State maintains an equity position which is either restricted by State law, contract, or is unreserved and available for future appropriation. The equity position of the State's General Fund and Special Revenue Funds is noted below:

A. General Fund – Departments lapsed unexpended appropriations of $5,076,000 to the unrestricted fund balance. This, along with increases in revenues over estimates, resulted in an unreserved balance in the General Fund of $35,499,000, and an additional $21,921,000 was set aside and designated by statute to a "Rainy Day Fund" with a total ending Rainy Day Fund balance of $47,854,000. The total reserved balance of the General Fund at fiscal year end was $143,400,000.

B. Special Revenue Funds – These Funds are the Uniform School Fund and the Transportation Fund. Both funds were able to complete the fiscal year without the mid-year budget cuts that had become routine in years prior to 1988. The Department of Transportation returned $4,107,000 of unexpended appropriations to the fund balance of the Transportation Fund. The Transportation Fund ended the year with an unreserved fund balance of $13,496,000 and a reserved fund balance of $15,389,000.

   The Uniform School Fund in prior years required support from the General Fund to cover appropriated expenditures. However, due to increased income tax revenues, the Uniform School Fund ended the year with an unreserved fund balance of $35,069,000 and a reserved fund balance of $15,182,000. This eliminated any need for support from the General Fund.

Enterprise Funds:

The enterprise funds are comprised of governmental agency and quasi-governmental agencies providing goods and services to the public on a charge for services basis. The Housing Finance Agency and Student Loan Programs issue their own debt and their debt repayment is funded through loan service fees, interest earnings and federal aid.

The Alcoholic Beverage Control Fund controls the sale of alcoholic beverages in the State and the profits received from these sales are transferred to the General Fund. Liquor profits totaled $15,984,000 in fiscal year 1989, an increase of only $66,000 or 0.4% over 1988.

Internal Service Funds:

The internal service funds provide services to State and local governments and are financed through user charges. Most funds attempt to operate on a breakeven basis. Rates are adjusted annually for over or under recovery of cost. The Risk Management Internal Service Fund currently has a $4,746,000 unfunded actuarially estimated liability. The fund has sufficient current operating reserves and will be funding the unfunded liability over the next several years through user charges.

Pension Trust Fund:

Operations of the State Retirement Systems have continued with favorable results. The Fund is actuarially sound and unfunded liabilities of $407,286,000 are being amortized and funded over a 40 year period ending in 23 years on January 1, 2012.

Debt Administration:

The State continues to enjoy a triple "A" rating on general obligation bonds and a double "A" rating on revenue bonds from Moody's Investors Service Inc. and Standard & Poor's Corporation. These are the best ratings available and save the State millions of dollars in interest on general obligation and revenue type bonds. During the year, the State issued $25,000,000 in Lease Revenue Bonds through the Utah Building Ownership Authority. The bond proceeds are being used to construct facilities for the State Department of Employment Security. The bonds will be repaid through rent charged to the department. Subsequent to the fiscal year end, the State issued in July 1989 $52,000,000 in general obligation bonds for construction and renovation of various capital facilities.

Constitutional Debt Limitation:

Article XIV, Section 1, of the State's Constitution limits the State to a total general obligation debt not to exceed in the aggregate at any one time of an amount equal to 1.5% of the value of the taxable property of the State, as shown by the last assessment for State purposes, previous to the incurring of such debt. Using the latest 1989 value, the debt limit of the State is $797,296,000. Revenue bonds and certificates of participation issued by the State are legally excluded from the debt limitations.

As of June 30, 1989, the State's total general obligation debt outstanding was $250,635,000, leaving available to the State $546,661,000 of additional general obligation borrowing capacity. As of October 31, 1989, the outstanding debt was $267,765,000 with a remaining constitutional limit of $529,531,000.

Statutory Limitations on State Indebtedness:

As previously mentioned, in the 1989 General Session, the Utah State Legislature passed a spending and bond limitation act. The act set the maximum general obligation bonding authority at 20% of the spending limitation. Under this limitation, the State may have total outstanding general obligation debt of approximately $338,040,000. As of the last general obligation bond issue in July 1989 the remaining borrowing capacity of the State under this limitation is $70,275,000.

Cash Management:

Cash is controlled by the State Treasurer or by other administrative bodies as determined by law. Investments are made in compliance with the State Money Management Act (*Utah Code Annotated, 1953,* as amended, Section 51-7). All cash deposited with the State Treasurer by State entities is managed in pooled investment funds to maximize interest earnings. The Treasurer invests the cash including the cash float in short-term securities and other investments such as certificates of deposit, obligations of the U.S. Treasury, commercial paper and repurchase agreements. Certain investment pools may invest in corporate bonds and equity securities. Investment pools managed by the State Treasurer or other investment officers comply with the Money Management Act and may hold corporate bonds and equity securities. State deposits of $16,192,000 are insured by the Federal Deposit Insurance Corporation. The remaining deposits are uninsured and uncollateralized. The State does not require collateral on deposits. However, the State Commissioner of Financial Institutions monitors financial institutions monthly and establishes limits for deposits of public money for each institution. The State Treasurer's pool yields were between 8.05% and 8.99% for fiscal year 1989. Variations in yield were usually due to the long or short term nature of the pools. The Pension Trust investment annual yield at market value was 9.6% for the calendar year 1988.

In addition, the State is taking steps to implement the "State/Federal Cash Equity Program." This program, ensures that the State will have adequate cash resources to cover federal program expenditures.

Risk Management:

The State is self-insured against certain property and liability claims. The Legislature established the Administrative Services Risk Management Fund to pay for commercial insurance or to accumulate reserves for the self-insured portion of certain property and liability risks. Revenues are generated from premiums charged to State departments and institutions of higher education and local school districts.

The property self-insurance limits for the fiscal year 1989 were $1,000,000 per claim with an annual aggregate of $2,500,000 per policy year. Generally, claims in excess of the self-insured limits are covered by policies with private insurance companies.

INDEPENDENT AUDIT

In compliance with State statute, an annual financial audit of the "State Entity" is completed each year by the Utah State Auditor's Office. Their examination was conducted in accordance with generally accepted auditing standards. Their report on the General Purpose financial statements has been included in the financial section of this report. In addition, the State coordinates through the State Auditor the "Single Audit" effort of all Federal funds. The Single Audit is issued as a separate report at a later date.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the "Certificate of Achievement for Excellence in Financial Reporting" to the State of Utah for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1988. This is the fourth year in a row the State has received this award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA. We are committed to this effort and we intend to maintain a highly qualified and professional staff to make this certification possible.

CONCLUSION

We hope this report provides useful data in evaluating the financial activity of the State of Utah. We express our appreciation to the budget and accounting officers throughout State government and the State Auditor's Office for their dedicated efforts in assisting us in the preparation of this report.

Sincerely,

Gordon L. Crabtree

Gordon L. Crabtree, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1988

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

President

Jeffrey L. Esser
Executive Director

Status of State Funds

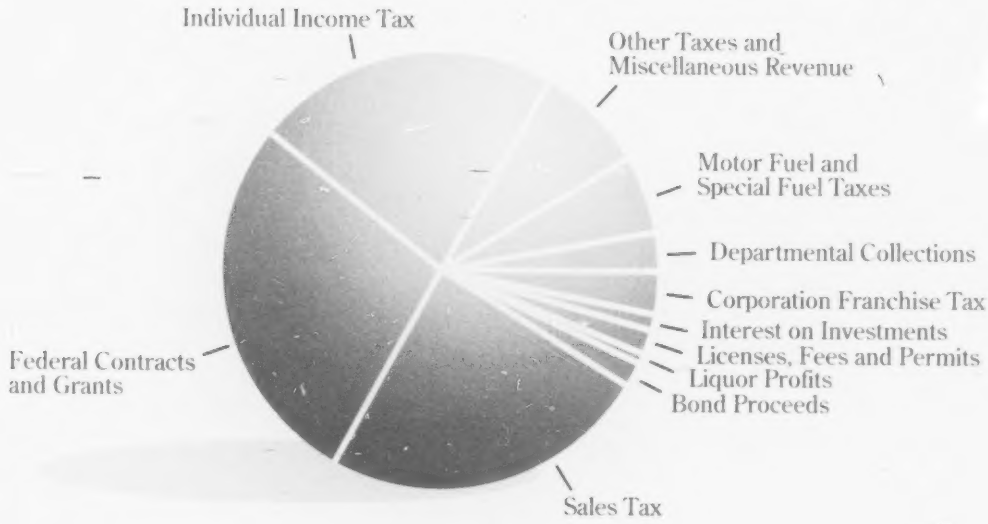
Fund Equity Analysis – The following summarizes the Fund Equity position of the three major funds of the State at June 30, 1989:

	General Fund	Uniform School Fund	Transportation Fund	Total
Fund Equity Reserved				
Funds Restricted by State Law:				
Legislature	$ 1,047,000	$ —	$ —	$ 1,047,000
Tax Commission	1,221,000	—	—	1,221,000
Economic and Industrial Development	3,223,000	—	—	3,223,000
Health	2,790,000	—	—	2,790,000
Social Services	868,000	—	—	868,000
Public Utilities	693,000	—	—	693,000
Mineral Lease and Bonus	1,041,000	—	—	1,041,000
Parks and Recreation	2,019,000	—	—	2,019,000
State Lands	890,000	—	—	890,000
Flood Relief	2,984,000	—	—	2,984,000
Fine Arts	1,000,000	—	—	1,000,000
Wildlife Resources	4,266,000	—	—	4,266,000
Exxon Oil Overcharge	16,946,000	—	—	16,946,000
Fusion Energy Commission	2,006,000	—	—	2,006,000
Financial Institutions/Thrifts	4,841,000	—	—	4,841,000
Employment Security	4,059,000	—	—	4,059,000
Rural Rehabilitation	1,663,000	—	—	1,663,000
Resource Development	16,313,000	—	—	16,313,000
Housing Development	1,032,000	—	—	1,032,000
Water Pollution Control	16,015,000	—	—	16,015,000
Waste Water Loans (SRF)	8,443,000	—	—	8,443,000
Safe Drinking Water	8,456,000	—	—	8,456,000
Water Security – Pollution	13,423,000	—	—	13,423,000
Water Security – Drinking	8,978,000	—	—	8,978,000
Custom Fit Training	—	2,150,000	—	2,150,000
Minimum School Program	—	4,756,000	—	4,756,000
Office of Education	—	3,712,000	—	3,712,000
Area Vocational Centers	—	2,305,000	—	2,305,000
School Building Loans	—	1,700,000	—	1,700,000
Aeronautics	—	—	1,957,000	1,957,000
Sidewalk Construction	—	—	975,000	975,000
Engineering Services	—	—	8,769,000	8,769,000
State Construction	—	—	3,496,000	3,496,000
Reserve for Advance to ISF	12,578,000	—	—	12,578,000
Miscellaneous Other	6,605,000	559,000	192,000	7,356,000
Total Fund Equity Reserved	143,400,000	15,182,000	15,389,000	173,971,000
Unreserved Designated Rainy Day Fund	47,854,000	—	—	47,854,000
Unreserved Undesignated	35,499,000	35,069,000	13,496,000	84,064,000
Total Fund Equity	$ 226,753,000	$ 50,251,000	$ 28,885,000	$ 305,889,000

STATE OF UTAH

Financial Highlights

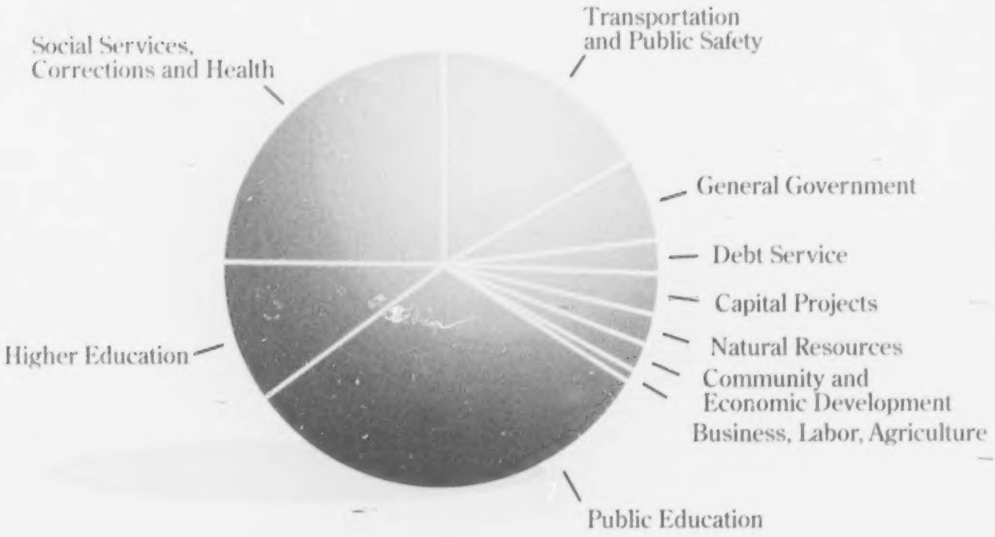
REVENUES AND OTHER SOURCES
Governmental Fund Types Only



Revenues and Other Sources	**Amount**	**Percent of Total**
Sales Tax	$ 666,841,000	23.9%
Federal Contracts and Grants	775,245,000	27.8
Individual Income Tax	636,514,000	22.8
Other Taxes and Miscellaneous Revenue	221,508,000	8.0
Motor Fuel and Special Fuel Taxes	160,525,000	5.8
Departmental Collections	79,502,000	2.9
Corporation Franchise Tax	95,793,000	3.4
Interest on Investments	33,717,000	1.2
Licenses, Fees and Permits	55,900,000	2.0
Total Revenues	2,725,545,000	97.8
Other Sources(A):		
Liquor Profit Transfer In	15,984,000	0.6
Bond Proceeds	44,697,000	1.6
Total Revenue and Other Sources	$ 2,786,226,000	100.0%

(A) Note: Does not include various trust fund and internal service fund revenues which are reflected in the General Fund and Special Revenue Fund as transfers in.

EXPENDITURES BY FUNCTION
Governmental Fund Types Only

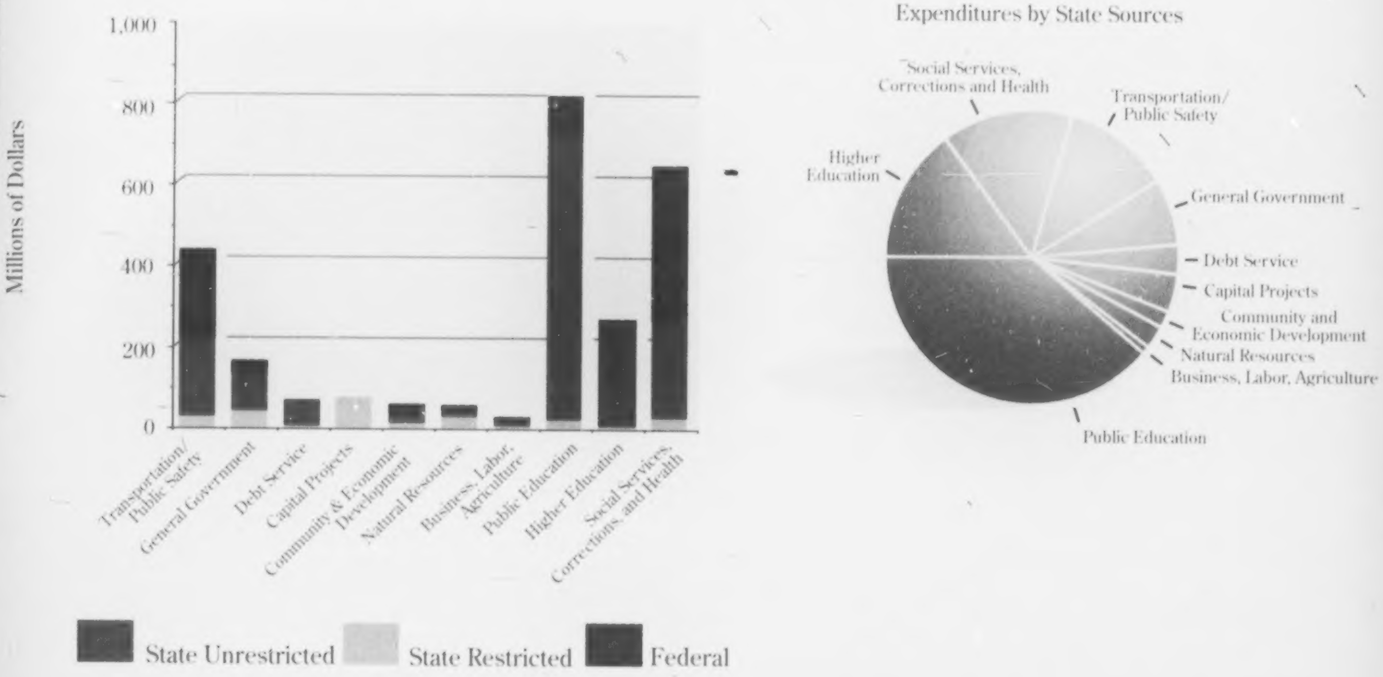


Expenditures by Function	**Amount**	**Percent of Total**
Education:		
Public Education	$ 823,576,000	31.2%
Higher Education	273,379,000	10.4
Social Services, Corrections and Health	652,692,000	24.7
Transportation and Public Safety	440,509,000	16.7
General Government	167,060,000	6.3
Debt Service	64,601,000	2.4
Capital Projects	77,630,000	2.9
Natural Resources	60,778,000	2.3
Community and Economic Development	58,001,000	2.2
Business, Labor, Agriculture	23,524,000	0.9
Total Expenditures(A)	$ 2,641,750,000	100.0%

(A) Note: Does not include transfers made to other funds except General Fund appropriated transfers to the colleges and universities which are included as Higher Education expenditures.

(Expressed in Thousands)

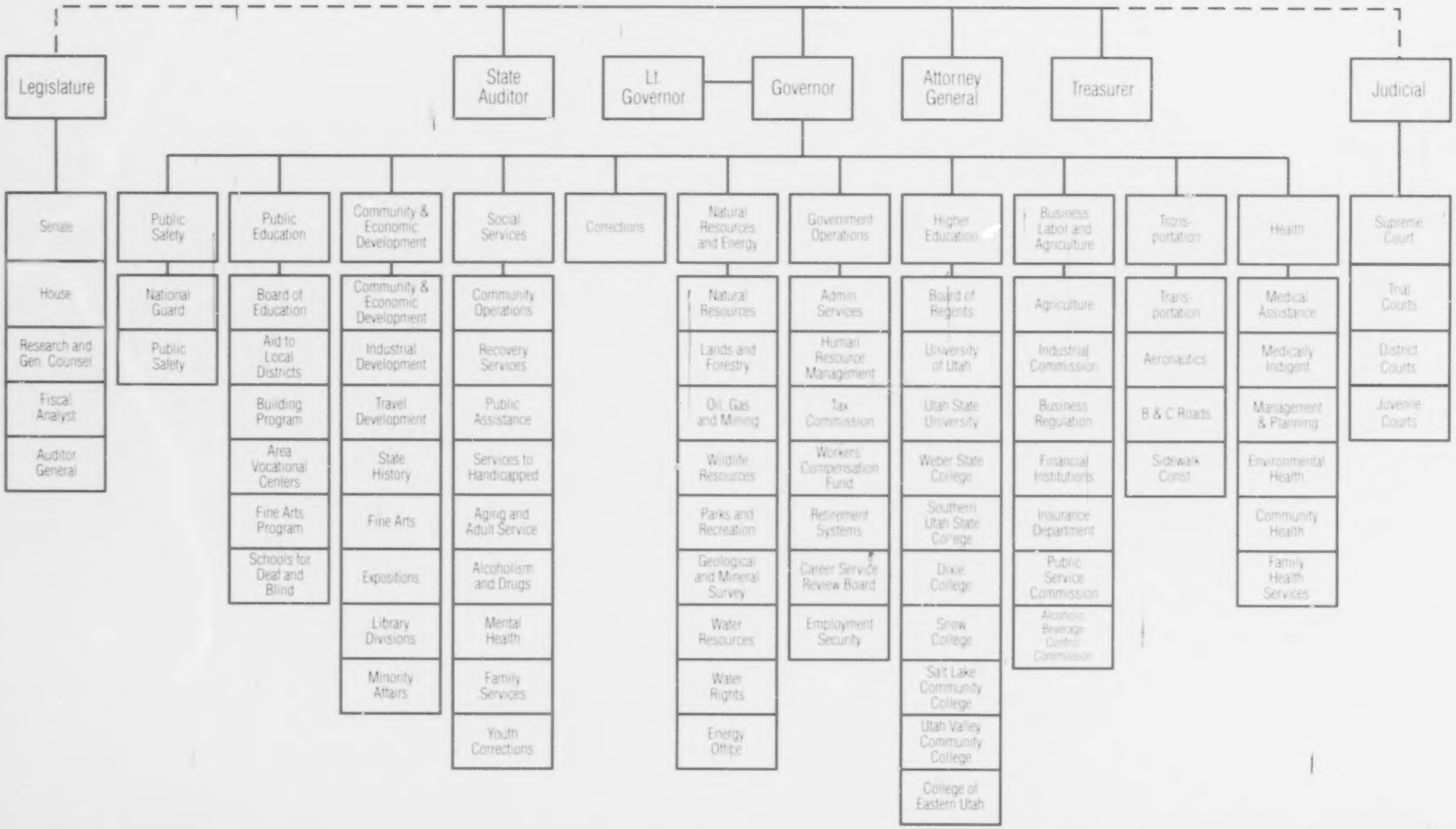
EXPENDITURES BY SOURCE
Governmental Fund Types Only



Expenditures by State Sources

	Federal Sources	Percent of Total	Unrestricted State Tax Sources	Percent of Total	Restricted Fees and Other Sources	Percent of Total	Total Expenditures All Sources	Percent of Total
Education:								
Public Education	$ 99,919	12.9%	$ 701,488	43.7%	$ 22,169	8.5%	$ 823,576	31.2%
Higher Education	1,016	0.1	264,033	16.5	8,330	3.2	273,379	10.4
Social Services, Corrections and Health	385,223	49.7	238,152	14.8	29,317	11.2	652,692	24.7
Transportation/Public Safety	218,363	28.2	193,131	12.0	29,015	11.1	440,509	16.7
General Government	33,798	4.4	91,174	5.7	42,088	16.1	167,060	6.3
Debt Service	—	0.0	61,747	3.8	2,854	1.1	64,601	2.4
Capital Projects	—	0.0	—	0.0	77,630	29.7	77,630	2.9
Community and Economic Development	23,323	3.0	19,413	1.2	15,265	5.8	58,001	2.2
Natural Resources	11,687	1.5	20,075	1.3	29,016	11.1	60,778	2.3
Business, Labor, Agriculture	1,916	0.2	15,803	1.0	5,805	2.2	23,524	0.9
Total	$ 775,245	100.0%	$ 1,605,016	100.0%	$ 261,489	100.0%	$ 2,641,750	100.0%

State of Utah
Budgetary Organization Chart
As of June 30, 1989



Legislature
State Auditor
Lt. Governor
Governor
Attorney General
Treasurer
Judicial
Senate
House
Research and Gen. Counsel
Fiscal Analyst
Auditor General
Public Safety
National Guard
Public Safety
Public Education
Board of Education
Aid to Local Districts
Building Program
Area Vocational Centers
Fine Arts Program
Schools for Deaf and Blind
Community & Economic Development
Community & Economic Development
Industrial Development
Travel Development
State History
Fine Arts
Expositions
Library Divisions
Minority Affairs
Social Services
Community Operations
Recovery Services
Public Assistance
Services to Handicapped
Aging and Adult Service
Alcoholism and Drugs
Mental Health
Family Services
Youth Corrections
Corrections
Natural Resources and Energy
Natural Resources
Lands and Forestry
Oil, Gas and Mining
Wildlife Resources
Parks and Recreation
Geological and Mineral Survey
Water Resources
Water Rights
Energy Office
Government Operations
Admin. Services
Human Resource Management
Tax Commission
Workers Compensation Fund
Retirement Systems
Career Service Review Board
Employment Security
Higher Education
Board of Regents
University of Utah
Utah State University
Weber State College
Southern Utah State College
Dixie College
Snow College
Salt Lake Community College
Utah Valley Community College
College of Eastern Utah
Business Labor and Agriculture
Agriculture
Industrial Commission
Business Regulation
Financial Institutions
Insurance Department
Public Service Commission
Alcoholic Beverage Control Commission
Trans-portation
Trans-portation
Aeronautics
B & C Roads
Sidewalk Const.
Health
Medical Assistance
Medically Indigent
Management & Planning
Environmental Health
Community Health
Family Health Services
Supreme Court
Trial Courts
District Courts
Juvenile Courts

JAN. 4, 1896

STATE OF UTAH
Office of the State Auditor
SALT LAKE CITY, UTAH 84114
(801) 538-1025

Tom L. Allen, CPA
STATE AUDITOR

Auston G. Johnson, CPA
DIRECTOR OF STATE AUDIT

INDEPENDENT STATE AUDITOR'S REPORT

To the Members of the Legislature
of the State of Utah and
The Honorable Norman H. Bangerter
Governor, State of Utah

We have audited the general purpose financial statements of the State of Utah as of and for the year ended June 30, 1989, as listed in the table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Utah at June 30, 1989, and the results of its operations and the changes in financial position of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Utah. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical data, listed in the foregoing table of contents, were not audited by us and, accordingly, we do not express an opinion thereon.

Tom L. Allen
UTAH STATE AUDITOR

November 10, 1989
(except as noted in Note 1)

GENERAL PURPOSE FINANCIAL STATEMENTS

The axiom "Variety is the Spice of Life", is reflective of life in Utah. Variety in scenery, recreation and cultural opportunities, as well as variety in business, industry and education abound in the State.

STATE OF UTAH

Combined Balance Sheet – All Fund Types and Account Groups

June 30, 1989 *(Expressed in Thousands)*

	Governmental Fund Types				Proprietary Fund Types	
	General	**Special Revenue**	**Capital Projects**	**Debt Service**	**Enterprise**	**Internal Service**
Assets						
Cash and Cash Equivalents (Note 3)	$ 180,290	$ 80,415	$ 68,866	$ 13,352	$ 345,193	$ 89,665
Other Investments (Note 3)	1,436	—	15,283	11,736	264,047	5,224
Receivables:						
Accounts	65,413	67,295	—	62	18,234	6,406
Notes/Mortgages (Note 1)	67,714	1,700	—	—	1,036,004	189,982
Accrued Interest	1,353	—	2	194	22,871	5,226
Unbilled (Note 1)	—	10,064	—	—	—	—
Due From Other Funds (Note 4)	18,937	6,269	2,860	—	482	8,286
Advance to Other Funds	12,578	—	—	—	—	—
Inventories (Note 1)	—	11,629	—	—	10,919	1,577
Prepaid Expenses	—	—	—	—	299	321
Deferred Charges	—	—	—	—	18,939	—
Deferred Compensation Plan Assets (Note 15)	—	—	—	—	—	—
Land (Note 1)	—	—	—	—	1,985	—
Buildings and Improvements	—	—	—	—	8,536	5,634
Machinery and Equipment	—	—	—	—	5,633	123,519
Accumulated Depreciation	—	—	—	—	(5,301)	(65,734)
Construction-In-Progress	—	—	—	—	—	—
Amount Available in Debt Service Fund	—	—	—	—	—	—
Resources to be Provided in Future Years For:						
Retirement of General Obligation Bonds	—	—	—	—	—	—
Other General Long-Term Obligations	—	—	—	—	—	—
Total Assets	$ 347,721	$ 177,372	$ 87,011	$ 25,344	$ 1,727,841	$ 370,106
Liabilities and Fund Equity						
Liabilities:						
Vouchers Payable	$ 62,041	$ 56,089	$ —	$ —	$ 3,480	$ 7,719
Contracts Payable	—	—	7,175	—	743	—
Accrued Liabilities	20,903	16,952	731	11,435	45,461	3,031
Obligations Under Reverse Repurchase Agreement	—	—	—	—	—	—
Deposits Held in Custody	—	—	—	—	16,170	—
Due to Other Funds (Note 4)	6,889	14,940	574	—	8,352	14,340
Due to Other Individuals or Groups	—	—	—	—	—	—
Due to Other Taxing Units	—	—	—	—	—	—
Deferred Revenue (Note 1)	31,135	10,255	1,040	—	2,559	81
Advance From Other Funds	—	—	—	—	—	12,578
Policy Claim Liabilities (Note 1)	—	—	—	—	140,382	36,988
Notes Payable (Note 7)	—	—	—	—	14	53
General Bonds Payable (Note 7)	—	—	—	—	—	—
Revenue Bonds Payable (Note 7)	—	—	—	—	1,334,069	—
Leave Obligations	—	—	—	—	—	—
Deferred Compensation Plan Liability (Note 15)	—	—	—	—	—	—
Total Liabilities	120,968	98,236	9,520	11,435	1,551,230	74,790
Fund Equity:						
Contributed Working Capital	—	—	—	—	12,886	258,568
Investment in Fixed Assets	—	—	—	—	—	—
Retained Earnings	—	—	—	—	163,725	36,748
Fund Balances:						
Reserved (Note 8)	143,400	30,571	35,084	—	—	—
Unreserved Designated	47,854	—	42,407	13,909	—	—
Unreserved Undesignated	35,499	48,565	—	—	—	—
Total Fund Equity	226,753	79,136	77,491	13,909	176,611	295,316
Total Liabilities and Fund Equity	$ 347,721	$ 177,372	$ 87,011	$ 25,344	$ 1,727,841	$ 370,106

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types	Account Groups			Total (Memorandum Only)	Total (Memorandum Only)
Trust and Agency	General Fixed Assets	General Long-Term Obligations	College and University Funds	June 30, 1989	June 30, 1988
$ 1,167,365	$ —	$ —	$ 160,460	$ 2,105,606	$ 1,784,730
2,922,892	—	—	153,331	3,373,949	3,182,442
50,857	—	—	115,527	323,794	291,199
—	—	—	36,847	1 332,247	1,130,449
10,884	—	—	563	41,093	49,477
—	—	—	—	10,064	11,727
15,227	—	—	12,851	64,912	79,972
—	—	—	—	12,578	8,764
—	—	—	14,165	38,290	37,651
—	—	—	11,042	11,662	9,916
—	—	—	—	18,939	16,521
—	—	—	5,356	5,356	4,289
5,938	77,834	—	19,927	105,684	103,780
2,707	377,506	—	661,549	1,055,932	974,207
3,535	107,319	—	388,995	629,001	565,444
(2,778)	—	—	—	(73,813)	(61,398)
—	64,016	—	69,993	134,009	108,618
—	—	13,909	—	13,909	6,767
—	—	247,564	—	247,564	288,728
—	—	91,152	—	91,152	58,153
$ 4,176,627	$ 626,675	$ 352,625	$ 1,650,606	$ 9,541,928	$ 8,651,436
$ 22,213	$ —	$ —	$ 56,095	$ 207,637	$ 196,917
—	—	22,309	5,744	35,971	12,952
—	—	—	31,689	130,202	215,004
—	—	—	—	0	19,388
144	—	—	4,309	20,623	18,975
4,634	—	—	15,183	64,912	79,972
102,120	—	—	—	102,120	89,847
614,241	—	—	—	614,241	531,210
168	—	—	11,158	56,396	54,260
—	—	—	—	12,578	8,764
88,284	—	—	—	265,654	226,726
—	—	—	4,039	4,106	146,276
—	—	250,635	—	250,635	291,005
—	—	41,040	70,061	1,445,170	1,085,232
—	—	38,641	—	38,641	38,084
—	—	—	5,356	5,356	4,289
831,804	0	352,625	203,634	3,254,242	3,018,901
—	—	—	—	271,454	254,079
—	626,675	—	1,056,759	1,683,434	1,532,769
—	—	—	—	200,473	182,769
3,425,146	—	—	205,063	3,839,264	3,540,425
—	—	—	185,150	289,320	169,924
(80,323)	—	—	—	3,741	(47,431)
3,344,823	626,675	0	1,446,972	6,287,686	5,632,535
$ 4,176,627	$ 626,675	$ 352,625	$ 1,650,606	$ 9,541,928	$ 8,651,436

STATE OF UTAH

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 1989 — *(Expressed in Thousands)*

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Revenues:				
Unrestricted:				
Sales Tax	$ 666,841	$ —	$ —	$ —
Individual Income Tax	—	636,514	—	—
Corporate Franchise Tax	—	95,793	—	—
Motor and Special Fuel Tax	—	160,525	—	—
Licenses, Fees and Permits	19,095	36,805	—	—
Interest on Investments	19,236	3,110	—	—
Miscellaneous Taxes and Other	101,968	13,748	—	—
Total Unrestricted	807,140	946,495	0	0
Restricted:				
Federal Contracts and Grants	464,056	311,189	—	—
Departmental Collections	70,528	8,974	—	—
Public Education Dedicated Credits	—	—	—	—
Aeronautics	—	18,086	—	—
Federal Mineral Lease	50,800	—	—	—
Intergovernmental Revenues	—	—	11,452	—
Interest on Investments	7,867	—	804	2,700
Premiums/Other Collections	—	—	—	—
Miscellaneous	14,603	10,544	42	265
Total Restricted	607,854	348,793	12,298	2,965
Total Revenues	1,414,994	1,295,288	12,298	2,965
Expenditures:				
Current:				
General Government	167,060	—	—	—
Social Services	315,903	—	—	—
Corrections	56,341	—	—	—
Health	280,448	—	—	—
Higher Education	4,473	—	—	—
Natural Resources	60,778	—	—	—
Business, Labor and Agriculture	23,524	—	—	—
Community and Economic Development	58,001	—	—	—
Unemployment Claims	—	—	—	—
Public Education	—	823,576	—	—
Transportation and Public Safety	44,620	395,889	—	—
Capital Outlay	—	—	77,630	—
Debt Service:				
Principal Retirement	—	—	—	45,615
Interest and Other Charges	—	—	—	18,986
Total Expenditures	1,011,148	1,219,465	77,630	64,601
Excess Revenues Over (Under) Expenditures	403,846	75,823	(65,332)	(61,636)
Other Financing Sources (Uses):				
Proceeds of Revenue Bonds/Contracts	19,697	—	17,969	7,031
Proceeds of General Obligation Bonds	—	—	—	—
Operating Transfers In (Note 10)	74,662	25,848	60,635	61,747
Operating Transfers Out (Note 10)	(441,435)	(50,660)	(1,433)	—
Total Other Financing Sources (Uses)	(347,076)	(24,812)	77,171	68,778
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	56,770	51,011	11,839	7,142
Beginning Fund Balances	183,668	30,344	67,024	6,767
Residual Equity Transfers (Note 10)	(13,685)	(2,219)	(1,372)	—
Ending Fund Balances	$ 226,753	$ 79,136	$ 77,491	$ 13,909

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types	Total (Memorandum Only)	Total (Memorandum Only)
Expendable Trust	June 30, 1989	June 30, 1988
$ —	$ 666,841	$ 616,091
—	636,514	530,692
—	95,793	83,427
—	160,525	156,924
—	55,900	52,608
—	22,346	12,760
—	115,716	106,959
0	1,753,635	1,559,461
625	775,870	673,279
—	79,502	86,106
—	0	75
—	18,086	17,979
—	50,800	28,836
—	11,452	14,671
19,735	31,106	30,035
99,318	99,318	92,258
9,611	35,065	28,193
129,289	1,101,199	971,432
129,289	2,854,834	2,530,893
4,769	171,829	152,561
21,057	336,960	316,161
—	56,341	52,565
—	280,448	272,618
—	4,473	4,143
—	60,778	57,657
—	23,524	21,069
2,214	60,215	54,666
66,781	66,781	83,540
684	824,260	788,378
—	440,509	351,680
—	77,630	62,463
—	45,615	33,165
—	18,986	25,282
95,505	2,468,349	2,275,948
33,784	386,485	254,945
—	44,697	0
—	0	64,200
3,000	225,892	217,128
(2,243)	(495,771)	(453,774)
757	(225,182)	(172,446)
34,541	161,303	82,499
111,483	399,286	325,654
—	(17,276)	(8,867)
$ 146,024	$ 543,313	$ 399,286

STATE OF UTAH

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis): General Fund, Special Revenue Funds and Debt Service Fund

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Unrestricted:			
Sales Tax	$ 630,000	$ 666,943	$ 36,943
Individual Income Tax	—	—	0
Corporate Franchise Tax	—	—	0
Motor and Special Fuel Tax	—	—	0
Licenses, Fees and Permits	14,967	19,109	4,142
Interest on Investments	6,536	19,236	12,700
Miscellaneous Taxes and Other	100,298	101,968	1,670
Total Unrestricted Revenues	751,801	807,256	55,455
Restricted:			
Federal Grants and Contracts	473,746	473,746	0
Departmental Collections	82,763	83,682	919
Higher Education/Public Education Dedicated Credits	73,882	73,882	0
Aeronautics	—	—	0
Federal Mineral Lease	49,100	50,800	1,700
Interest on Investments	6,505	7,876	1,371
Miscellaneous	49,826	49,899	73
Total Restricted Revenues	735,822	739,885	4,063
Total Revenues	1,487,623	1,547,141	59,518
Intrafund Eliminations		(132,147)	
Total Revenues GAAP Basis		1,414,994	
Expenditures:			
Current:			
General Government	175,567	168,751	6,816
Social Services	353,754	348,722	5,032
Corrections	56,734	56,341	393
Health	300,069	297,811	2,258
Higher Education	350,990	350,685	305
Natural Resources	67,051	61,536	5,515
Business, Labor and Agriculture	25,712	23,656	2,056
Community and Economic Development	66,058	58,304	7,754
Public Education	—	—	0
Transportation and Public Safety	47,461	46,395	1,066
Debt Service:			
Principal Retirement	—	—	0
Interest and Other Charges	—	—	0
Total Expenditures	1,443,396	1,412,201	31,195
Higher Education Appropriated Expenditures included as Transfers	268,906	(268,906)	
Intrafund Eliminations		(132,147)	
Total Expenditures GAAP Basis		1,011,148	
Excess of Revenues Over (Under) Expenditures	313,133	403,846	90,713
Other Financing Sources (Uses):			
Proceeds of Revenue Bonds/Contracts	19,697	19,697	0
Operating Transfers In (Note 10)	74,662	74,662	0
Operating Transfers Out (Note 10)	(441,435)	(441,435)	0
Total Other Financing Sources (Uses)	(347,076)	(347,076)	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(33,943)	56,770	90,713
Beginning Fund Balances	183,668	183,668	0
Residual Equity Transfers (Note 10)	(13,685)	(13,685)	0
Ending Fund Balances	$ 136,040	$ 226,753	$ 90,713

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ —	$ —	$ 0	$ —	$ —	$ 0
628,000	636,514	8,514	—	—	0
71,000	95,793	24,793	—	—	0
158,300	160,525	2,225	—	—	0
36,201	36,805	604	—	—	0
2,300	3,110	810	—	—	0
11,200	13,748	2,548	—	—	0
907,001	946,495	39,494	0	0	0
311,189	311,189	0	—	—	0
12,889	12,974	85	—	—	0
—	—	0	—	—	0
16,974	18,086	1,112	—	—	0
—	—	0	—	—	0
—	—	0	1,800	2,700	900
11,902	12,028	126	264	265	1
352,954	354,277	1,323	2,064	2,965	901
1,259,955	1,300,772	40,817	2,064	2,965	901
	(5,484)			—	
	1,295,288			2,965	
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
—	—	0	—	—	0
840,430	828,947	11,483	—	—	0
413,598	396,002	17,596	—	—	0
—	—	0	45,615	45,615	0
—	—	0	18,991	18,986	5
1,254,028	1,224,949	29,079	64,606	64,601	5
	(5,484)			—	
	1,219,465			64,601	
5,927	75,823	69,896	(62,542)	(61,636)	906
—	—	0	7,031	7,031	0
25,848	25,848	0	61,747	61,747	0
(50,660)	(50,660)	0	—	—	0
(24,812)	(24,812)	0	68,778	68,778	0
(18,885)	51,011	69,896	6,236	7,142	906
30,344	30,344	0	6,767	6,767	0
(2,219)	(2,219)	0	—	—	0
$ 9,240	$ 79,136	$ 69,896	$ 13,003	$ 13,909	$ 906

STATE OF UTAH

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances – All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Operating Revenues:				
Investment Income	$ 33,175	$ 10,264	$ —	$ 240,101
Liquor:				
Sales (Net of $12,182 Sales and School Lunch Tax)	64,711	—	—	—
Licenses, Permits and Fees	389	—	—	—
Charges for Services/Premiums/Royalties	71,445	156,413	6,708	—
Interest on Mortgages/Notes	82,959	—	—	—
Member Contributions	—	—	—	206,295
Miscellaneous	5,595	—	—	2,997
Total Operating Revenues	258,274	166,677	6,708	449,393
Cost of Goods Sold	43,859	—	—	—
Gross Profit	214,415	166,677	6,708	449,393
Operating Expenses:				
Administrative	29,303	36,550	—	2,710
Rentals and Leases	707	2,939	—	—
Maintenance	173	7,957	—	—
Interest	100,875	7	—	—
Depreciation	962	15,047	—	482
Benefit Claims	64,586	74,871	—	131,450
Contribution Refunds	—	—	—	21,868
Supplies and Other Miscellaneous	1,681	49,211	—	2,015
Total Operating Expenses	198,287	186,582	0	158,525
Total Operating Income (Loss)	16,128	(19,905)	6,708	290,868
Non-Operating Income (Expenses):				
Interest on Investments	13,466	—	—	—
(Loss) on Sale of Fixed Assets	(38)	(327)	—	—
Total Non-Operating Income (Expenses)	13,428	(327)	0	0
Income (Loss) Before Operating Transfers	29,556	(20,232)	6,708	290,868
Operating Transfers In (Note 10)	530	25,341	—	—
Operating Transfers Out (Note 10)	(16,011)	(787)	(29)	(8,071)
Net Income Before Extraordinary Item	14,075	4,322	6,679	282,797
Extraordinary Item – Loss on Early Extinguishment of Debt (Note 11)	(693)	—	—	—
Net Income	13,382	4,322	6,679	282,797
Beginning Retained Earnings/Fund Balances	150,343	32,426	29,657	2,879,666
Ending Retained Earnings/Fund Balances	$ 163,725	$ 36,748	$ 36,336	$ 3,162,463

The accompanying notes are an integral part of the financial statements.

STATE OF UTAH

Combined Statement of Changes in Financial Position – All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Sources of Working Capital:				
Operations:				
Net Income Before Extraordinary Item	$ 14,075	$ 4,322	$ 6,679	$ 282,797
Items Not Requiring Working Capital:				
Depreciation	962	15,047	—	482
Amortization of Deferred Charges/Revenue	532	—	—	—
Loss on Disposition of Property and Equipment	38	327	—	—
Sources from Operations Exclusive of Extraordinary Item	15,607	19,696	6,679	283,279
Extraordinary Item – Loss on Early Extinguishment of Debt	(693)	—	—	—
Total Sources from Operations	14,914	19,696	6,679	283,279
Increase in Deferred Revenue Due after One Year	691	—	—	—
Increase in Policy Claim Liabilities	16,378	9,626	—	—
Additions to Long-Term Debt	391,302	—	—	—
Increase in Contributed Working Capital (Net of $42 accumulated depreciation transferred in)	1,969	15,997	—	—
Decrease in Other Investments	10,224	104	—	57,819
Decrease in Mortgages/Notes Receivable	57,720	—	—	—
Proceeds on Disposal of Property and Equipment	—	1,885	—	—
Total Sources of Working Capital	493,198	47,308	6,679	341,098
Uses of Working Capital:				
Increase in Other Investments	13,088	—	4,181	206,264
Increase in Mortgages/Notes Receivable	230,459	8,108	—	—
Acquisition of Property and Equipment (Net of $42 accumulated depreciation transferred in)	3,373	15,105	—	1,183
Increase in Deferred Charges	4,233	—	—	—
Decrease in Notes Payable	134,403	—	—	—
Payments on Long-Term Debt	45,721	14	—	—
Decrease in Contributed Working Capital	590	—	—	—
Total Uses of Working Capital	431,867	23,227	4,181	207,447
Net Increase in Working Capital	$ 61,331	$ 24,081	$ 2,498	$ 133,651
Elements of Net Increase (Decrease) in Working Capital:				
Cash and Cash Equivalents	$ 50,575	$ 24,187	$ 2,269	$ 135,116
Accounts Receivable/Due From Other Funds	1,565	1,255	606	(821)
Notes Receivable Current Portion	1,722	760	—	—
Accrued Interest	628	1,042	—	—
Inventories	(1,174)	317	—	—
Prepaid Expenses	140	175	—	—
Vouchers Pay./Acc. Liab./Due to Other Funds	(2,669)	(4,383)	(377)	(644)
Deposits and Claims Current Portion	128	820	—	—
Deferred Revenue	19	(86)	—	—
Current Portion of Long-Term Obligations	10,397	(6)	—	—
Net Increase in Working Capital	$ 61,331	$ 24,081	$ 2,498	$ 133,651

The accompanying notes are an integral part of the financial statements.

STATE OF UTAH

Combined Statement of Changes in Fund Balances – College and University Fund Types

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions:								
Educational and General Revenues	$ 186,157	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Auxiliary Enterprises Revenues	77,884	—	—	—	—	—	—	—
Sales and Services of Hospital	159,379	—	—	—	—	—	—	—
Tuition and Fees – Restricted	—	7,291	—	—	2,358	2,690	924	—
Private Gifts, Grants and Contracts	—	40,582	72	4,759	9,112	336	38	5,850
Governmental Grants and Contracts	—	180,671	1,814	209	21,539	—	35	—
Federal Appropriations	—	3,443	—	—	—	—	—	—
Investments and Endowment Income	—	7,831	142	843	3,383	762	629	—
Interest on Loans Receivable	—	—	880	—	—	—	—	—
Expended for Plant Facilities (including $42,159 from current funds)	—	—	—	—	3,461	—	—	103,712
Retirement of Indebtedness	—	—	—	—	—	—	—	5,411
Other	—	5,670	96	13	4,223	13	—	570
Total Revenues	423,420	245,488	3,004	5,824	44,076	3,801	1,626	115,543
Expenditures and Other Deductions:								
Educational and General Expenditures	386,221	243,120	—	—	—	—	—	—
Auxiliary Enterprises Expenditures	74,257	504	—	—	—	—	—	—
Hospital Expenditures	151,627	—	—	—	—	—	—	—
Indirect Costs Recovered	—	26,243	31	—	—	—	—	—
Refunded to Grantors	—	6	18	—	—	—	—	—
Loan Cancellations and Write-Offs	—	—	928	—	—	—	—	—
Administrative and Collection Costs	—	—	278	—	—	—	—	—
Expended for Plant Facilities (including noncapitalized expenditures of $5,842)	—	—	—	—	60,230	10,626	—	—
Retirement of Indebtedness	—	—	—	—	—	—	5,411	—
Interest on Indebtedness	—	—	—	—	7	—	5,462	—
Disposal of Plant Facilities	—	—	—	—	—	—	—	22,451
Other	556	1,412	91	24	188	15	65	168
Total Expenditures and Other Deductions	612,661	271,285	1,346	24	60,425	10,641	10,938	22,619
Transfers Among Funds – Additions (Deductions):								
Mandatory Transfers, net	(6,600)	1,392	3	3	(1,680)	3,207	3,680	(5)
Nonmandatory Transfers, net	(20,698)	(1,191)	(66)	3,020	14,302	10,103	3,131	(8,601)
Operating Transfers From General Fund	231,852	37,054	—	—	—	—	—	—
Total Transfers	204,554	37,255	(63)	3,023	12,622	13,310	6,811	(8,606)
Net Increase in Fund Balances	15,313	11,458	1,595	8,823	(3,727)	6,470	(2,501)	84,318
Beginning Fund Balances	101,325	55,783	37,078	66,932	71,909	10,483	10,799	972,441
Adjustments to Beginning Fund Balances (Note 2)	(576)	(951)	—	—	—	—	—	—
Adjusted Beginning Fund Balances	100,749	54,832	37,078	66,932	71,909	10,483	10,799	972,441
Ending Fund Balances	$ 116,062	$ 66,290	$ 38,673	$ 75,755	$ 68,182	$ 16,953	$ 8,298	$ 1,056,759

The accompanying notes are an integral part of the financial statements.

STATE OF UTAH

Combined Statement of Current Funds Revenues, Expenditures and Other Changes – Colleges and Universities

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Total Unrestricted	Total Restricted	Total Current Funds
Revenues:			
Educational and General:			
Tuition and Fees	$ 83,017	$ 7,294	$ 90,311
Federal Appropriations	50	3,443	3,493
Governmental Grants and Contracts	23,323	146,869	170,192
Private Gifts, Grants and Contracts	1,949	35,264	37,213
Investment and Endowment Income	11,173	7,110	18,283
Sales and Services of Educational Departments	62,314	2,381	64,695
Other	4,331	4,229	8,560
Total Educational and General	186,157	206,590	392,747
Sales and Services of Hospital	159,379	—	159,379
Auxiliary Enterprises Revenues	77,884	—	77,884
Total Revenues	423,420	206,590	630,010
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	170,165	37,531	207,696
Research	11,131	108,893	120,024
Public Service	40,695	39,529	80,224
Academic Support	46,535	6,013	52,548
Student Services	20,299	5,135	25,434
Institution Support	47,451	5,666	53,117
Operation and Maintenance of Plant	41,361	3,365	44,726
Student Aid	8,584	36,988	45,572
Total Educational and General Expenditures	386,221	243,120	629,341
Hospital Expenditures	151,627	—	151,627
Auxiliary Enterprises Expenditures	74,257	504	74,761
Other	556	1,412	1,968
Mandatory Transfers, net Out (In)	6,600	(1,392)	5,208
Total Expenditures and Mandatory Transfers	619,261	243,644	862,905
Other Transfers and Additions (Deductions):			
Excess of Restricted Receipts Over (Under) Transfers to Revenues	—	12,655	12,655
Refunded to Grantors	—	(6)	(6)
Nonmandatory Transfers, net	(20,698)	(1,191)	(21,889)
Operating Transfers From General Fund	231,852	37,054	268,906
Total Other Transfers & Additions (Deductions)	211,154	48,512	259,666
Net Increase in Fund Balances	$ 15,313	$ 11,458	$ 26,771

The accompanying notes are an integral part of the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Utah have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements of the College and University Funds have been prepared in conformity with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

The accompanying financial statements present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the proprietary and similar trust funds. The financial statements are presented as of June 30, 1989, and for the year then ended. The financial statements include the various departments, agencies and other organizational units governed by the Utah State Legislature and/or Constitutional Officers of the State of Utah.

A. Reporting Entity

For financial reporting purposes the State of Utah has considered all potential component units and has included all funds, account groups, agencies, boards, commissions, authorities, colleges and universities, over which the State's executive, legislative, and judicial branches exercise oversight responsibility. Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards sets forth several criteria to be considered in establishing oversight responsibility. This criteria includes: selection of governing authority, designation of management, the ability of the State to significantly influence operations, financial interdependency, and accountability for fiscal matters. Based on this criteria, the following is a brief review of the entities that are included in the accompanying financial statements:

- Area Vocational Centers (Special Revenue Fund) – The State Office of Education has oversight responsibility for the five Area Vocational Centers in the State. They are: Bridgerland, Davis, Ogden-Weber, Sevier Valley, and Uintah Basin. The Centers offer vocational education in various subjects. The Centers receive annual State appropriations for their operations. The Centers are included as an integral part of the Uniform School Fund. The individual Centers were audited by other independent auditors, and individual reports, dated from August 25, 1989 to August 31, 1989, have been previously issued under separate cover.
- Unemployment Compensation Trust Fund – This fund is financed from employer contributions, federal grants, and direct reimbursements from non-contributing employers. The Utah Department of Employment Security has a fiduciary responsibility to administer the Fund. The Department's management and operation are under the supervision of the State Industrial Commission. The Commission is appointed by the Governor and approved by the Senate, and is an integral part of State Government.
- Utah Housing Finance Agency (Enterprise Fund) – This agency issues bonds to provide capital for housing and home mortgages especially for low and moderate income families. Operations are financed from bond proceeds and mortgage and investment interest and fees. The administrative body is made up of State officials and citizens appointed by the Governor. The Fund was audited by other independent auditors, and their report, dated August 31, 1989, has been previously issued under separate cover.
- Workers' Compensation Fund of Utah (Enterprise Fund) – This fund provides workers' compensation insurance and is financed through member (employer) premiums. The Fund is governed by a board of directors appointed by the Governor. Administrative operations and budgets are reviewed by the Governor and State Legislature. The Fund is reported for the period ended December 31, 1988, and their report, dated August 30, 1989, has been previously issued under separate cover.
- Utah Technology Finance Corporation (Enterprise Fund) – This is a non-profit organization which encourages and assists in the development, promotion, and growth of technological and small businesses throughout the State. The corporation receives State appropriations for working capital. The board of trustees includes two members from the legislature with the remaining members being appointed by the Governor with Senate approval. The Fund was audited by other independent auditors, and their report, dated August 25, 1989, has been previously issued under separate cover.
- Alcoholic Beverage Control Commission (Enterprise Fund) – The Commission administers the Alcoholic Beverage Control Act with financing from operations which includes the sale of liquor products. The Commission's operations, policies and administrative expenses are subject to legislative and executive control. The Commissioners are appointed by the Governor with Senate approval. All property of the Commission is State property and all profits from operations are remitted to the State General Fund.
- Student Assistance Programs (Enterprise Fund) – This fund presents combined information from two student assistance programs; the Higher Education Assistance Authority, which guarantees repayment of eligible student

loans and the State Board of Regents Student Loan Purchase Program, which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances. Both programs are administered by the State Board of Regents. The Regents are appointed by the Governor subject to Senate approval. The Board's operations and administrative expenses are subject to legislative and executive control. The Student Assistance Programs were audited by other independent auditors, and their reports, dated September 7, 1989, have previously been issued under separate cover.

- Deferred Compensation Plan (Agency Fund) – This plan is administered by the Utah State Retirement Board and is a voluntary deferred compensation program available to eligible public employees in the State of Utah whose employing unit participates in the Utah Retirement Systems. Under this program, compensation is deferred for income tax purposes under Section 457 of the Internal Revenue Code, and is placed into an investment option at the election of the individual employee. Assets within the plan are reported at market value in the Agency Funds. As defined by Section 457 of the Internal Revenue Code, these funds are available to the creditors of contributing employers until such time as it becomes payable to the participant. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The Fund was audited by other independent auditors for the period ended December 31, 1988, and their report, dated April 18, 1989, has been previously issued under separate cover.
- Utah State Retirement Office (Pension Trust Funds) – The State Retirement Office administers pension funds for various public employee retirement systems of the State and its political subdivisions. The Office is subject to State legislative and executive controls. The Governor, with Senate approval, appoints the Administrative Board. The administrative expenses are subject to legislative budget controls. The Funds were audited by other independent auditors for the period ended December 31, 1988, and their report, dated April 18, 1989, has been previously issued under separate cover.
- Utah Public Employees Group Insurance (Internal Service Fund) – This fund provides health and life insurance and is financed by employee and employer contributions from the State and other participating political subdivisions. The Fund is administered by the State Retirement Office which is subject to legislative and executive control. The Fund was audited by other independent auditors and their report, dated August 29, 1989, has been previously issued under separate cover.
- Universities, Colleges and Community Colleges (College and University Funds) – The State Board of Regents has oversight responsibility for the University of Utah, Utah State University, Weber State College, Southern Utah State College, Dixie College, College of Eastern Utah, Snow College, Salt Lake Community College, and Utah Valley Community College. Each college and university is governed by an Institutional Council. An Institutional Council is comprised of eight persons appointed by the Governor and approved by the Senate, the president of the institution's alumni association, and the president of the institution's associated students. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. The colleges and universities were audited by the State Auditor or other independent auditors, and individual reports, dated from August 25, 1989 to October 13, 1989, have been previously issued under separate cover.

Entities such as the local school districts and local authorities of various kinds, which may meet only one of the criteria for inclusion in this report have not been included. (The State's support of the public education system is reported in the Uniform School Fund.)

B. Fund Accounting

The financial activities are recorded in individual funds classified by type, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equities, revenues, expenses and expenditures.

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The financial activities of the State of Utah are classified in four fund categories and two account groups, as described below. The fund categories include governmental funds, proprietary funds, fiduciary funds, and college and university funds. Account groups are composed of general fixed assets, and general long-term obligations.

1. The State's governmental funds are used to account for the State's general activities and include:

The General Fund is the principal operating fund of the State. It is used to account for all financial resources which are not accounted for in other funds. The services accounted for in the General Fund include, among others, general government, public safety, judicial, public health and welfare, business licensing and regulation, and higher education. Resources obtained from federal grants and used for services provided by General Fund entities, consistent with applicable legal requirements, are recorded in the General Fund.

The Special Revenue Funds (Uniform School Fund and Transportation Fund) are used to account for specific revenue sources that are legally restricted for expenditures for specified purposes. Special Revenue Funds include transactions related to the Office of Public Education and the Transportation Department.

The Capital Projects Fund accounts for resources obtained and used for the acquisition, construction or improvement of certain capital facilities (except those financed by proprietary funds). Such resources are derived principally from proceeds of general obligation bond issues, revenue bonds and operating transfers from the State's General Fund.

The State enters into long-term contracts for the construction of major capital projects and records the commitments as encumbrances. (See Note 5.)

The Debt Service Fund accounts for resources obtained and used for the payment of interest and principal on general long-term debt obligations and on general revenue bonds which are funded from general governmental fund operations.

2. The Proprietary Funds include:

The Enterprise Funds account for operations similar to a private business enterprise. They are also used to account for operations where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The intent of the State is that the cost of providing the goods or services to the general public on a continuing basis be financed primarily through user charges.

The Internal Service Funds are a variety of independent operations that provide goods and/or services to other State departments or other political sub-divisions on a cost reimbursement basis. The largest funds are the Water Resources and Community Impact Loan Funds. The Water Resources Loan Fund provides loans to local governments, water districts and other entities for the purpose of upgrading water storage facilities and related structures. The Community Impact Loan Fund provides loans to local governments to alleviate social, economic, and public financial impacts resulting from the development of the State's natural resources. Grants authorized by the Community Impact Loan Board amounting to $11,570,000 were transferred to and expended in the General Fund during the year. The Risk Management Fund provides a broad range of property and liability insurance coverage to all State agencies and to several voluntarily participating school districts.

3. The Fiduciary Funds account for assets held by the State in a trustee capacity or as an agent for other individuals, other governmental units, or other funds. Fiduciary funds are comprised of:

The Pension Trust Funds account for the transactions, assets, liabilities and fund equity of the State Retirement Systems.

The Non-Expendable Trust Fund accounts for the transactions, assets, liabilities and fund equity of the State Land Board. The Land Board Fund was created from federal *Enabling Act* land grants and the sale of such lands. The fund's principal is non-expendable whereas the earnings on the principal are used to support education in the State.

The Expendable Trust Funds account for assets received and expended by the State as trustee, and includes the following funds: Unemployment Compensation, Employers' Reinsurance, Indian Affairs, and miscellaneous small deposits held in a trustee capacity that are consolidated into the Restricted Trust Fund.

The Agency Funds account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

4. The College and University Funds include:

The Current Funds account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally restricted purposes.

The Loan, Endowment, and Agency Funds account for assets in which the institutions act in a fiduciary capacity.

The Plant Funds account for institutional property acquisition, renewal, replacement and debt service.

5. Account Groups consist of the following:

The General Fixed Assets Account Group is used to account for land, buildings, and equipment of the governmental fund types. Fixed assets of the trust funds, proprietary fund types, and colleges and universities are accounted for separately in their respective funds.

The General Long-Term Obligation Account Group accounts for the State's unmatured long-term obligations related to general obligation bonds, revenue bonds, capital lease obligations, and leave obligations. Long-term obligations of the proprietary funds, trust funds, and the college and university funds are accounted for in their respective funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, non-expendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

All governmental funds, expendable trust funds and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and related current assets are recognized when measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Principal revenue sources susceptible to accrual under the modified accrual basis of accounting include federal revenues, departmental collections, and interest on investments. Expenditures are recorded when the fund liabilities are incurred. Modifications to the accrual basis of accounting include:

- Sales taxes, income taxes, and other self-assessed taxes are recognized as revenues in the period in which they are received except for individual income taxes and motor fuel taxes due and payable to the State at fiscal year end and collected shortly thereafter have been accrued as revenue and receivables. For tax returns filed by June 30, 1989, a liability has been recorded for tax refunds due.
- Inventories of materials and supplies in the General Fund and special revenue (Uniform School Fund), excluding area vocational centers, are recorded as expenditures when purchased. In the special revenue (Transportation Fund and area vocational centers), these inventories are recorded as expenditures when consumed.
- Prepaid expenses are not recorded.
- Employees' vested annual leave, sick leave and compensatory leave are recorded as expenditures when utilized. The amount of accumulated annual leave and compensatory leave unpaid at June 30, 1989 has been reported in the general long-term obligation account group. (See Item T. this note.)
- Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments of interest to be made early in the following year.

The accounts of the enterprise, internal service, non-expendable trust, and pension trust funds are reported using the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The college and university funds are accounted for on the accrual basis of accounting, with the following exceptions:

- Depreciation expense related to plant fund assets is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

The college and university funds are an aggregate of the institutions' separate financial statements. The presentation is not meant to be a consolidation since transactions within the State entity have not been eliminated nor have fixed assets or long-term debt been reported in the applicable State's account groups. However, appropriations to the colleges and universities are recorded as operating transfers out of the General Fund and as operating transfers in to the college and university funds.

D. Budgeting and Budgetary Control

The State budgets are adopted on the modified accrual basis of accounting with the exception of certain intrafund revenues and expenditures that are recognized for budgetary purposes. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, includes this variation from GAAP and are, therefore, prepared on a budgetary basis. The total variance from GAAP and elimination of the intrafund activity is identified on these statements.

The Legislature enacts annual budgets for the General Fund, special revenue funds (Uniform School Fund and Transportation Fund), and the Debt Service Fund through passage of the *Appropriations Act*. Capital Projects Fund appropriations are for projects that may extend over several fiscal years.

Unexpended balances at year end may: 1) lapse to unrestricted balances for future appropriation, 2) lapse to restricted balances for future appropriations restricted for specific purposes as defined by statute, or 3) be non-lapsing – which means balances are reported as reservations of fund balance. The non-lapsing balances are considered automatically reappropriated as authorized by statute, by the *Appropriations Act* or by limited encumbrances.

Legal Compliance – Budgets

In September of each year, all agencies of the government submit requests for appropriation to the Governor's Office of Planning and Budget so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

In January and February the proposed budget is presented to the Legislature. The Legislature may change the budget and prepares the annual *Appropriations Act* after their review. The Legislature passes the *Appropriations Act* by a simple majority vote. The *Appropriations Act* becomes the State's authorized operating budget upon the Governor's signature. The appropriations may not exceed the available funding for the fiscal year.

Budgetary control is maintained at the program or organizational line item level identified in the *Appropriations Act*. Budgets may be modified subject to Governor approval if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Act*. If funding sources are not sufficient to cover the appropriation, the Governor is required to reduce the budget by the amount of such deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental appropriation. During the year, supplemental appropriations of $91,857,000 were provided for various programs. After recognizing significant accruals at year end, the line item for medical assistance reflected a deficit of $225,000. However, State law allows for a deficit in medical assistance up to 2% of their budget because of the uncertainty of the accrual. The overspending was within the 2% limit but must be replaced with supplemental appropriations in the next fiscal year. All other appropriated line items of the State were within their authorized spending level.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized in the Capital Projects Fund as detailed in Note 5. Generally, State law does not allow appropriations to be reserved for outstanding encumbrances at fiscal year end in the General Fund or special revenue funds. However, in these funds if a purchase order for equipment is issued prior to May 1st and delivery is expected, but unfulfilled, by June 30th, then the appropriations may be reserved. Allowed encumbrances outstanding at fiscal year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during subsequent years.

Encumbrances outstanding at fiscal year end that are not allowed to reserve appropriations will be honored with subsequent year appropriations.

E. Cash and Cash Equivalents and Other Investments

- Cash and Cash Equivalents – Cash equivalents are carried at cost or amortized cost which approximates market. All interest revenue is allocated to the General Fund unless State law or trust agreements require allocations of interest to other funds. The interest revenue allocated to the General Fund is reduced if any of these funds consistently reflects a deficit cash position.

  Cash and Cash Equivalents as reported on the balance sheets, may be under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer by State entities is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash including the cash float in short-term securities and other investments.

  Cash and Cash Equivalents includes federal food stamps on hand at year end totaling $22,558,000.

- Other Investments as reported on the balance sheets, include long-term investments. These investments may be restricted by law or other legal instruments. "Other Investments" may be under the control of the State Treasurer or other administrative bodies as determined by law. These investments are carried at amortized cost. Equity securities (stocks) are stated at cost which is lower than market at the balance sheet date.

F. Receivables

Accounts receivable in the governmental fund types consist mainly of amounts due from the federal government and collectibility is reasonably assured. Accordingly no allowance for uncollectible accounts has been established. Amounts included in the Unemployment Compensation Expendable Trust Fund consists largely of delinquent employer contributions and benefit overpayments and are shown net of an allowance for doubtful accounts of $13,185,000. Pension Trust Fund receivables consist of amounts due on investment contracts and on employee and employer contributions. Collection of these receivables is reasonably assured, therefore, no allowance for uncollectible accounts has been established.

- Accounts Receivable and Notes Receivable reported in the college and university funds are shown net of an allowance for doubtful accounts of $9,313,000 and $1,785,000, respectively. Gifts and pledges are recognized when collected. It is not practical to estimate the net realizable value of these amounts when not collected. Uncollected pledges at June 30, 1989 were $23,005,000 of which $7,033,000 is due within one year and $15,972,000 is due thereafter.
- Notes/Mortgages Receivable are primarily long-term loans to local governments and agricultural development, home mortgage, and student loans to individuals. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest bearing. Student loans in the Student Assistance Programs of the enterprise funds are guaranteed by governmental agencies. In addition, mortgages receivable of the Utah Housing Finance Agency are insured against loss or are guaranteed by private mortgage companies or governmental agencies. Because of the guarantees, no provisions for possible loan losses have been provided.
- Receivables Unbilled represent an amount equal to costs incurred by the Department of Transportation on highway construction projects which are eligible for reimbursement from the federal government upon modification of the related project contracts. When federal funds are available for recovery of the costs, the receivables will be billed.

G. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

H. Inter/Intrafund Transactions

Interfund Transactions – The composition of the State's interfund receivables and payables at June 30, 1989 is presented in Note 4. The State basically has three types of interfund transactions, as follows:

- Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.
- Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.
- Equity and working capital contributions. These are accounted for as residual equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

Intrafund Transactions – Intrafund transfers, as a result of contracts between departments and/or agencies within the same fund, are considered expenditures by the contractor and revenues by the contractee for budgetary purposes. However, in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, all intrafund revenues and expenditures have been eliminated. The amount of the eliminations by fund is reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.

I. Inventories

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems and are valued at the lower of cost or market. Proprietary funds and college and university funds valuation methods include first-in-first-out, average cost, weighted average, weighted moving average, and retail inventory method. The inventory for the Alcoholic Beverage Control Fund (enterprise fund) is valued at replacement cost which approximates lower of cost or market using first-in-first-out (FIFO) basis.

Governmental Fund inventories are recorded as expenditures when purchased, with the exception of the Transportation Fund and the Area Vocational Centers in the Uniform School Fund (Special Revenue Funds) inventories which are recorded as expenditures when consumed. Transportation Fund inventories are valued at average cost. Area Vocational Centers inventories are valued at lower of cost or market.

J. Fixed Assets

Fixed assets used in governmental type operations (general fixed assets) are recorded as expenditures in the governmental funds and the related assets are reported in the General Fixed Assets Account Group. Interest expense during construction of capital facilities is considered immaterial and is not capitalized. Public domain ("infrastructure") general fixed assets are normally immovable and of value only to the State. Infrastructure, which includes roads, bridges, dikes, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized.

- Land is stated at cost except in the Non-Expendable Trust Fund where a portion of the amount for land represents the unpaid mortgage contracts receivable on lands repossessed by the State Land Board. The remaining portion of lands owned by the State totaling 3,758,000 acres were acquired under the federal *Enabling Act* of 1894 are included for reporting purposes at the assigned value of approximately one dollar per acre in the Non-Expendable Trust Fund.

- Buildings, and other fixed assets are recorded at historical cost or at estimated historical cost where historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date of donation.
- Assets in the General Fixed Assets Account Group and in the college and university funds – Plant Funds are not depreciated. Buildings and equipment in the proprietary fund types are depreciated on a straight-line basis over their estimated useful lives which extends to 40 years on buildings and 3-12 years on equipment. Automotive equipment in the internal service fund is depreciated using a "units-of-production" method, based on mileage.

K. Deferred Charges

The amounts reported as deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding method, which approximates the interest method.

L. Accrued Liabilities

In the September 1989 Second Special Session, the Legislature reduced the individual income tax rates by 2 percent and increased the deductibility of federal income taxes paid from 33.3 percent to 50 percent. Both actions were retroactive to January 1, 1989. Inasmuch as withholding tax tables in effect from January 1, 1989 to June 30, 1989 use the higher tax rates, individual income taxes were overwithheld by $12,400,000. Revenues were reduced and accrued liabilities were increased for the overwithholding in the Special Revenue Fund – Uniform School Fund.

M. Deferred Revenue

Deferred revenue is principally federal funds received in advance of the authorized expenditure. Special revenue funds' deferred revenues include amounts expended by the Transportation Fund on federally participating construction projects which are eligible for reimbursement but the funds are not available until a modified contract is submitted. These amounts will be billed to the Federal government and recorded as revenue in future periods as funds become available.

N. Contractor Retention

Construction contracts let by the Department of Transportation (Special Revenue Fund) and in the Capital Projects Fund usually include provisions to withhold a percentage of the payments until the project reaches a certain stage of completion. Utah law allows the departments to deposit these funds in an escrow account at the contractor's trustee bank at which time the expenditure is recognized. The State only controls the release of these funds; the assets in the accounts are considered the property of the contractor. Therefore, no assets and liabilities for these escrow accounts have been included in the financial statements in the Transportation Fund and Capital Projects Fund. At June 30, 1989, $10,663,000 from the Transportation Fund and $2,673,000 from the Capital Projects Fund were being held in contractor escrow accounts.

O. Policy Claim Liabilities

The liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates.

P. Grants

Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs. All federal reimbursement type grants in governmental funds are recorded as revenues when the related expenditures are incurred.

Federal grants include non-monetary transactions for food stamps and food and other commodities. Food stamps are valued at coupon value and any unexpended balances at fiscal year end are reported in the General Fund as "Cash and Cash Equivalents" and "Deferred Revenue." Commodities revenue and expenditures are valued at their federally reported value. Commodity inventories at year end are immaterial.

Q. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts in the college and university funds are deferred and amortized over the term of the bonds using the straight line method which approximates the effective interest method.

R. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from the public or working capital transfers from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

S. Retirement and Employee Benefit Costs

Full time State employees participate in the State Retirement System. Contributions collected for the State Retirement System, as well as the retirement benefits paid are accounted for in the Pension Trust Funds. All costs for pension, health and federal social security benefits in governmental fund types are reported as personnel service expenditures in the appropriate fund. Benefit costs applicable to proprietary fund types are reflected as expenses in the proprietary funds.

T. Compensated Absences

Employees' annual leave is accrued at a rate of four hours every two weeks for the first five years of employment, up to a rate of six hours every two weeks after ten years of employment. There is no requirement to use annual leave, but a maximum of 40 days may be carried forward at the beginning of each calendar year. Compensatory time can be earned for overtime. At termination, employees are paid for their unused annual leave and at the discretion of their department, they may be paid for unused compensatory time. The total liability for annual and compensatory time at June 30, 1989, was $35,109,000 of which $2,274,000 is reported in the Proprietary Funds and $32,835,000 is reported in the General Long-Term Obligation Account Group.

Employees earn sick leave at a rate of four hours for each two week period with no limit to the amount that can be accumulated. The State does not reimburse employees for unused sick leave upon termination except for employees eligible for retirement. At retirement, the State is liable for up to 25% of the employee's accumulated sick leave and for premiums to maintain health and life insurance coverage for up to five years or until the employee turns age 65, whichever comes first. A liability of $5,806,000 has been reported in the General Long-Term Obligation Account Group for the future health and life insurance coverage for retired employees.

College and universities' vacation and sick leave earnings policies vary for each institution. Vacation is expensed when earned and sick leave is expensed when used. At June 30, 1989 the total liability for unused vacation in the College and University Fund was $13,028,000.

U. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund and college and university fund operations are accounted for in those funds.

The amounts reported in the Combined Balance Sheet for this account group include: $250,635,000 of general obligation bonds which will be paid from the General Fund or special revenue fund appropriations as they mature; $16,040,000 of certificate of participation revenue bonds which are secured by the assets purchased from bond proceeds and will be paid from lease payments of State agencies as well as from General Fund appropriations; $25,000,000 of building lease revenue bonds which will be repaid from rent payments from the Department of Employment Security; and $22,309,000 of obligations under lease commitments. (See Notes 6 & 7.)

V. Totals (memorandum only)

A total column (memorandum only) has been added to certain statements. The total column includes interfund activity and is not comparable to a consolidated financial statement, but is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

NOTE 2. BEGINNING FUND BALANCE ADJUSTMENT

The college and university funds' beginning fund balances for the current funds have been adjusted to recognize a liability to its early retirees and to transfer assets, liabilities and the related fund balance from the restricted fund to the unrestricted fund as of June 30, 1988. The affect of these revisions is as follows (expressed in thousands):

	Current Funds	
	Unrestricted	Restricted
Fund balance as previously reported	$ 101,325	$ 55,783
Net decrease in beginning fund balance ...	(576)	(951)
Fund balance at June 30, 1988 as adjusted ..	$ 100,749	$ 54,832

NOTE 3. DEPOSITS AND INVESTMENTS

Listed below is a summary of the deposit and investment portfolio that represents the Cash and Cash Equivalents and Other Investments on the June 30, 1989 balance sheets. Investing is governed by the prudent man rule in accordance with the Money Management Act, Section 51-7, *Utah Code Annotated, 1953,* as amended. All securities purchased or held and all evidence of deposits and investments must be in the custody of the State or deposit may be made with an agent in the State's name. Investment transactions may only be conducted through qualified depositories or primary reporting dealers.

A. Deposits

At June 30, 1989, the carrying amount of the State's deposits was $155,045,000 (net of federal food stamps of $22,558,000). At June 30, 1989, the bank balance was $178,260,000. Of the bank balance, $16,192,000 was covered by the Federal Deposit Insurance Corporation and the remaining deposits are uninsured and uncollateralized and are held by various financial institutions. The State of Utah does not require collateral on deposits. However, the State Commissioner of Financial Institutions monitors financial institutions monthly and establishes limits for deposit of public money at individual financial institutions.

B. Investments

Statutes authorize the State to invest in negotiable certificates of deposit issued by approved banks and savings and loans; repurchase agreements; commercial paper rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc.; bankers' acceptances; obligations of the U.S. Treasury and certain agencies of the U.S. Government; bonds, notes and other indebtedness of political subdivisions of the State; shares or certificates in any open-end management investment company registered with the Securities and Exchange Commission subject to certain portfolio restrictions; guaranteed loans to college students; and certain secured debt of public housing authorities. Certain State entities are also allowed by statute to invest in equities, real estate, and other investments.

The following table (expressed in thousands) provides information about the credit and market risks associated with the State's investments. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name.

	Category				
	1	2	3	Carrying Amount	Market Value
Repurchase Agreements	$ —	$ 24,300	$ 56,166	$ 80,466	$ 80,466
Short-Term Securities	14,033	336,428	—	350,461	350,461
U.S. Government Securities	326,001	1,379	5,377	332,757	340,312
Bankers' Acceptances	—	—	1,883	1,883	1,883
Negotiable Certificates of Deposit	588,859	52	42,703	631,614	632,278
Commercial Paper	416,095	—	1,429	417,524	413,880
Corporate Bonds	1,322,859	—	1,055	1,323,914	1,328,943
Equity Securities	1,082,716	—	2,506	1,085,222	1,296,770
Municipal and Public Utility Bonds	134	—	—	134	67
Mortgage Loans:					
Collateralized Loans	7,735	—	—	7,735	7,735
Real Estate Notes	28,665	—	—	28,665	28,665
Life Insurance Investment Contracts	99,125	—	—	99,125	108,345
Real Estate	251,850	—	43,837	295,687	261,402
Total	$ 4,138,072	$ 362,159	$ 154,956	4,655,187	4,851,207
Mutual and Escrow Funds				212,432	220,955
Pooled Investment Contracts				227,565	227,565
Investment in U.S. Treasury Investment Pool				206,768	206,768
Total Investments				$ 5,301,952	$ 5,506,495

The Pension Trust Fund owns approximately 64% of the investments that are in Category 1, approximately 99% of the investments that are in Category 2, and approximately 28% of the investments that are in Category 3.

C. Reverse Repurchase Agreements

State statutes permit the State to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. During the year the State made investments in reverse repurchase agreements but did not own any at June 30, 1989.

NOTE 4. DUE FROM/TO OTHER FUNDS

Due From/To Other Funds at June 30, 1989, consist of the following (expressed in thousands):

	Interfund Receivables	Interfund Payables
General Fund	$ 18,937	$ 6,889
Special Revenue Funds:		
Uniform School	1,905	1,067
Transportation	4,364	13,873
Capital Projects Fund	2,860	574
Enterprise Funds:		
Utah Correctional Industries	477	28
Blind Industries	—	42
Alcoholic Beverage Control	5	8,254
Workers' Compensation	—	28
Internal Service Funds:		
Water Resources Loan Fund	50	—
Data Processing	2,915	1,083
Central Services Fund	1,076	4,488
Surplus Property	24	232
Communications	848	3,338
Social Services/Internal Service	751	421
Office of Education/Superintendent	262	110
Natural Resources	475	156
Admin. Services Risk Management	42	164
Transportation/Internal Service	1,530	4,215
Property Management	313	133
Trust and Agency Funds:		
Land Board	1,094	623
Unemployment Compensation Trust	—	568
Restricted	2,374	3,435
Agency	11,759	—
Indian Affairs	—	8
College and University Funds:		
Unrestricted Current	4,344	5,140
Restricted Current	270	3,024
Endowment and Similar	5,672	—
Unexpended Plant	6	3,522
Renewal and Replacement Plant	2,265	2,121
Retirement of Indebtedness Plant	294	4
Investment in Plant	—	1,372
Total	$ 64,912	$ 64,912

NOTE 5. GENERAL FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year (expressed in thousands):

	Balance July 1, 1988	Additions	Retirements	Balance June 30, 1989
GENERAL FIXED ASSETS:				
Land	$ 77,928	$ 550	$ 644	$ 77,834
Buildings and Improvements	326,895	52,085	1,474	377,506
Machinery and Equipment	89,301	26,405	8,387	107,319
Construction-In-Progress	66,204	38,195	40,383	64,016
Total General Fixed Assets	$ 560,328	$ 117,235	$ 50,888	$ 626,675

Investment in general fixed assets by source (expressed in thousands):

	1988	1989
General Fund	$ 392,922	$ 447,270
Special Revenue Funds:		
Uniform School Fund	51,962	52,207
Transportation Fund	60,017	63,182
Capital Projects Fund	55,427	64,016
Total Investment in General Fixed Assets	$ 560,328	$ 626,675

Construction-In-Progress retirements are transferred as additions to land and buildings. These additions represent land of $519,000 and buildings of $39,864,000. Construction-In-Progress at June 30, 1989 consisted of the following (expressed in thousands):

Project #	Description	Amount Authorized	Amount Expended	Balance Authorized
84355	Iron Co. Criminal Justice Res. Center	$ 8,202	$ 8,149	$ 53
88010	Corrections – Gunnison New Inmate Housing	1,706	5,241	(3,535)
86030	Bridgerland Area Vocational Ctr. – Phase IV	4,637	4,575	62
84425	National Guard A.D.D.S. Building	4,132	3,958	174
86017	DFCM Data Processing Computer Center	3,533	3,567	(34)
86018	Juvenile Courts District #1 – Ogden	3,549	3,544	5
88005	Corrections – Gunnison Bid Pkg. 1	3,310	3,304	6
87015	Corrections Regional Prison Plan and Site Acquisition	5,000	3,203	1,797
89018	Corrections – Draper YACF Chapel	5,000	3,203	1,797
86027	Ogden/Weber Vocational Business Bldg.	4,180	2,784	1,396
—	Sixty-Five Other Projects	66,523	22,488	44,035
	Total	$ 109,772	$ 64,016	$ 45,756

The State had long-term construction project commitments totaling $35,084,000 at June 30, 1989. The following construction projects have remaining commitments and represent reservations of fund balance in the Capital Projects Fund (expressed in thousands):

Project #	Description	Remaining Construction Commitment
88010	Gunnison New Inmate HS Bd .	$ 13,903
84058	Weber State College Physical Education Bd . . .	2,634
88007	Gunnison New Ctrl Plt Bd . .	2,358
88021	Snow College Career Cntr Com	1,376
86023	Dixie Science Bldg Addition .	1,297
88025	Ogden ROC & JUV Crt Prks .	1,144
88160	Gunnison Prison Admin Bldg .	1,075
88024	USU Old Main Renovation . .	1,013
87136	State Office Bldg Asbestos Removal	920
—	All Others	9,364
	Total Commitments . . .	$ 35,084

NOTE 6. LEASE COMMITMENTS

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, leases are considered noncancellable for financial reporting purposes and are reported in the General Long-Term Obligation Account Group or appropriate proprietary or college and university fund types as described as follows.

Assets acquired through capital leasing are valued at the lower of fair market value or the present value of the future minimum lease payments, at the inception of the lease. Capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental type funds are reported in the General Long-Term Obligation Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital leases for the college and university funds are reported in those funds along with the related assets.

Operating leases (leases on assets not recorded in the Balance Sheet) contain various renewal options as well as some purchase options. However, due to the nature of the leases, the related assets were not classified as capital assets. Any escalation clauses, sublease rentals and contingent rents were considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The total operating lease expenditures for fiscal years 1989 and 1988 were $30,945,000 and $29,979,000, respectively. Future minimum lease commitments for noncancellable operating leases and capital leases as of June 30, 1989, were as follows (expressed in thousands):

Fiscal Year	Operating Leases	Capital Leases Long-Term Obligation Account Group	Proprietary Funds	College and University Funds	Total
1990	$ 7,653	$ 1,986	$ 140	$ 1,609	$ 3,735
1991	6,975	1,937	148	1,486	3,571
1992	4,730	1,946	143	1,193	3,282
1993	3,639	1,937	143	972	3,052
1994	2,388	1,926	144	580	2,650
Thereafter	4,852	27,908	269	1,756	29,933
Total Future Minimum Lease Payments	$ 30,237	37,640	987	7,596	$ 46,223
Less Amounts Representing Interest		15,331	244	1,852	
Present Value of Future Minimum Lease Payments		$ 22,309	$ 743	$ 5,744	

Changes in Capital Lease Long-Term Obligations for the 1989 fiscal year are as follows (expressed in thousands):

	Long-Term Obligation Account Group	Proprietary Funds	College and University Funds	Total
Balance at July 1, 1988	$ 1,399	$ 504	$ 3,175	$ 5,078
Existing Leases – Payments or Current Portion	(39)	(19)	(756)	(814)
Leases Completed	(1,003)	—	—	(1,003)
Leases Added	21,952	258	3,325	25,535
Balance at June 30, 1989	$ 22,309	$ 743	$ 5,744	$ 28,796

NOTE 7. BONDS AND NOTES PAYABLE

A. General Obligation Bonds

The State issues general obligation bonds to provide funds for acquisition, construction and renovation of major capital facilities and water management for governmental activities. In addition, general obligation bonds have been issued to refund both general obligation bonds and revenue bonds.

General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues.

The State has $19,600,000 of authorized unsold general obligation bonds. These unissued general obligation bonds are to be used to retire certain designated lease-purchase agreements of the State. At this time the State does not anticipate issuing any of these authorized, but unsold bonds.

Bonds Payable presented in the General Long-Term Obligation Account Group consists of the following (expressed in thousands):

General Obligation Bonds Outstanding	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 1989
1978 Building Issue	7/1/78	1982-1989	4.75% to 5.80%	$ 25,115	$ 5,500
1978 Water Issue	7/1/78	1981-1989	4.75% to 5.95%	$ 25,000	5,500
1980 Water Issue	10/1/80	1981-1989	6.25% to 7.75%	$ 11,000	1,500
1982 Water Issue	6/1/82	1982-1989	8.75% to 10.20%	$ 14,000	8,000
1984 Refunding Issue	5/1/84	1987-1990	6.60% to 7.60%	$ 29,490	8,240
1985B Refunding Issue	10/1/85	1987-1991	5.90% to 7.40%	$ 81,135	76,690
1986 Various Purpose Issue	7/15/86	1988-1993	5.00% to 8.00%	$ 91,230	81,005
1987 Capital Facility Issue	7/15/87	1991-1994	5.30% to 5.90%	$ 58,475	58,475
1988 Lease Acquisition Issue	3/1/88	1991	5.25%	$ 5,725	5,725
Total General Obligation Bonds Payable					$ 250,635

Debt service cash requirements to maturity for general obligation bond issues for fiscal years ended June 30, are summarized below (expressed in thousands):

	Principal											
	1978 Building	1978 Water	1980 Water	1982 Water	1984 Refunding	1985 Refunding	1986 Various Purpose	1987 Capital Facility	1988 Lease Acquisition	Principal Amount Required	Interest Amount Required	Total Amount Required
1990	$ 5,500	$ 5,500	$ 1,500	$ 8,000	$ 8,240	$ 3,570	$ 10,800	$ —	$ —	$ 43,110	$ 13,599	$ 56,709
1991	—	—	—	—	—	35,155	5,075	—	—	40,230	10,480	50,710
1992	—	—	—	—	—	37,965	—	575	5,725	44,265	7,340	51,605
1993	—	—	—	—	—	—	44,400	—	—	44,400	4,676	49,076
1994	—	—	—	—	—	—	20,730	24,000	—	44,730	2,000	46,730
1995	—	—	—	—	—	—	—	33,900	—	33,900	—	33,900
Total	$ 5,500	$ 5,500	$ 1,500	$ 8,000	$ 8,240	$ 76,690	$ 81,005	$ 58,475	$ 5,725	$ 250,635	$ 38,095	$ 288,730

Changes in General Obligation Bonds for the Fiscal Year 1989 are summarized below (expressed in thousands):

Balance at July 1, 1988	$ 291,005
Bonds Retired	(40,370)
Balance at June 30, 1989	$ 250,635

The proceeds of the 1985 General Obligation Refunding Bond, issued October 1, 1985, along with other monies available for debt service which included a net gain of $192,000, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the following Bond issues:

Bond Issue	Principal Outstanding at June 30, 1989
1983 Highway Bonds	$ 2,100
1983 Water Bonds	$ 34,900

The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the bonds upon completion of the refunding transaction.

B. Revenue Bonds

Revenue bonds and notes consist of those issued by the Utah Housing Finance Agency, the Utah State Board of Regents Student Loan Purchase Program, the Utah State Building Ownership Authority, and the various colleges and universities. These bonds and notes are not considered general obligations of the State.

The Utah Housing Finance Agency bonds were issued to provide sources of capital for housing persons of low or moderate income. The bonds are secured by mortgages and repayments are made from the mortgage proceeds. Outstanding bonds payable are reported in the enterprise funds. Of the total reported bonds payable, $15,956,000 represents deferred interest on revenue bonds outstanding.

The Utah State Board of Regents Student Loan Purchase Program bonds were issued to provide funds for student loans and are secured by all assets of the Board of Regents Revenue Bond Fund and the revenues and receipts derived from such assets. Outstanding bonds payable are reported in the enterprise funds.

The State of Utah Equipment Certificates of Participation were issued to finance certain equipment to be utilized by the various agencies and departments of the State. The certificates are secured by the equipment they finance. Outstanding bonds payable are reported in the General Long-Term Obligation Account Group.

The proceeds of the General Obligation Refunding bond, issued May 1, 1984, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the Utah State Building Ownership Authority revenue bonds, of which $27,925,000 was outstanding at June 30, 1989. The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the revenue bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the revenue bond debt upon completion of the refunding transaction.

The Utah State Building Ownership Authority has issued a bond for the construction of facilities to be leased to the Department of Employment Security. The bond is secured by the facilities and repayment is made from the lease income. The outstanding bond payable is reported in the General Long-Term Obligation Account Group.

The colleges and universities issue bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds payable are reported in the College and University Fund.

The colleges and universities placed the proceeds of new bond issues along with various bond reserves and/or pledged revenues into irrevocable trust accounts to defease certain revenue bonds. At June 30, 1989, $52,542,000 of the bonded debt remained outstanding and is considered extinguished by these in-substance defeasance transactions. Therefore, the liability is not included in the accompanying financial statements.

Revenue Bonds Outstanding (expressed in thousands):

Bond Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Balance June 30, 1989
1977-1989 Utah Housing Finance Agency Issues	1977-1989	1979-2027	4.7% to 12.875%	$ 1,553,293	$ 1,089,592
1979 & 1989 Board of Regents Student Loan Issue	1979, 1989	1979-2013	6.25% to 7.60% and variable	$ 257,400	228,521
1984A Certificates of Participation	4/1/84	1985-1991	6.0% to 8.0%	$ 34,490	16,040
1988 Utah State Building Ownership Authority	12/15/88	1992-2011	6.5% to 7.8%	$ 25,000	25,000
Colleges and Universities Revenue Bonds	1952-1989	1992-2016	3.0% to 11.25%	$ 101,459	70,061
Total Revenue Bonds Outstanding					1,429,214
Utah Housing Finance Agency Deferred Interest Payable					15,956
Total Revenue Bonds Payable					$ 1,445,170

Debt service requirements to maturity on revenue bond issues for fiscal years ending June 30 are summarized below (expressed in thousands):

	Principal							
Fiscal Year	Housing Finance Agency	Student Loan Programs	Certificates of Participation 1984A	Utah State Building Ownership Authority	Colleges and Universities	Total Principal Required	Total Interest	Total Amount Required
1990	$ 33,380	$ 1,600	$ 5,705	$ —	$ 4,252	$ 44,937	$ 112,537	$ 157,474
1991	23,042	1,200	6,210	—	4,688	35,140	110,044	145,184
1992	23,753	—	4,125	—	5,014	32,892	107,661	140,553
1993	24,984	10,860	—	600	5,364	41,808	105,118	146,926
1994	26,343	19,473	—	625	5,786	52,227	101,711	153,938
1995-1999	171,786	98,583	—	3,875	21,034	295,278	442,316	737,594
2000-2004	188,450	64,878	—	5,475	15,416	274,219	324,923	599,142
2005-2009	221,540	7,177	—	7,950	7,486	244,153	218,289	462,442
2010-2014	171,708	24,750	—	6,475	959	203,892	128,544	332,436
2015-2019	168,771	—	—	—	62	168,833	52,822	221,655
2020-2024	32,935	—	—	—	—	32,935	4,609	37,544
2025-2029	2,900	—	—	—	—	2,900	—	2,900
Total	$ 1,089,592	$ 228,521	$ 16,040	$ 25,000	$ 70,061	$ 1,429,214	$ 1,708,574	$ 3,137,788

Changes in Revenue Bonds for the Fiscal Year 1989 are summarized below (expressed in thousands):

Balance at July 1, 1988	$ 1,085,232
New Bonds Issued:	
Colleges and Universities	4,060
Utah Housing Finance Agency	179,610
Utah State Building Ownership Authority	25,000
State Board of Regents – Student Loan Purchase Program	207,896
Bonds Retired	(56,628)
Balance at June 30, 1989	$ 1,445,170

C. Notes Payable

The balance of notes payable, $4,106,000, represents the purchases of buildings and equipment. The notes bear various interest rates and will be repaid over the next 22 years. They are secured by the related assets.

Notes Payable for Fiscal Year 1989 are summarized below (expressed in thousands):

	Internal Service Funds	Enterprise Funds	College & University Funds	Total
Balance at July 1, 1988	$ 62	$ 141,441	$ 4,773	$ 146,276
Additions	—	—	184	184
Deletions	(9)	(141,427)	(918)	(142,354)
Balance at June 30, 1989	$ 53	$ 14	$ 4,039	$ 4,106

Debt service requirements to maturity on notes payable for fiscal years ending June 30 are summarized below (expressed in thousands):

	Principal					
Fiscal Year	Internal Service Funds	Enterprise Funds	Colleges and Universities	Total Principal Required	Total Interest	Total Amount Required
1990	$ 26	$ 7	$ 897	$ 930	$ 137	$ 1,067
1991	26	7	756	789	97	886
1992	1	—	386	387	65	452
1993	—	—	149	149	60	209
1994	—	—	121	121	55	176
Thereafter	—	—	1,730	1,730	412	2,142
Total	$ 53	$ 14	$ 4,039	$ 4,106	$ 826	$ 4,932

D. Contracts Payable

Contracts Payable in the General Long-Term Obligations Account Group are for capital leases. Lease obligations are detailed in Note 6.

E. Leave Obligations

Changes in the leave obligation are (expressed in thousands):

Balance at July 1, 1988	$ 38,084
Decrease in Health Care Premiums	(1,195)
Increase in Accrued Leave Benefits	1,752
Balance at June 30, 1989	$ 38,641

NOTE 8. FUND BALANCES – RESERVED AND DESIGNATED

The State's reserved fund balances represent those portions of fund balance that are: 1) not available for appropriation or expenditure, which include loans receivable and the long-term portion of advances to other funds; or 2) fund balances that are legally segregated for a specific future use which include reserves for encumbrances in the Capital Projects Fund, limited encumbrances in the general and special revenue funds as explained in Note 1, continuing appropriation or non-lapsing funds, and assets legally restricted for other purposes. A summary of the nature and purpose of these reserves by fund type at June 30, 1989 follows (expressed in thousands):

A. General Fund

Reserved

Non-Lapsing or Restricted by Law	
Legislature	$ 1,047
Tax Commission	1,221
Economic and Industrial Development	3,223
Health	2,790
Social Services	868
Business Regulation/Public Utilities	693
Mineral Lease	1,041
Parks and Recreation	2,019
State Lands	890
Flood Relief	2,984
Fine Arts	1,000
Wildlife Resources	4,266
Oil Overcharge and Energy	16,946
Fusion Energy Research	2,006
Financial Institutions	4,841
Employment Security	4,059
Miscellaneous	6,605
Loan Programs and Advances	
Agriculture Rural Rehabilitation	1,663
Agriculture Resource Development	16,313
Housing Development	1,032
Water Pollution Control	24,458
Safe Drinking Water	8,456
Water Security Enhancement	
– Pollution	13,423
– Drinking	8,978
Advance to Internal Service Funds	12,578
Total	$ 143,400

Unreserved – Designated	
Budget/Revenue Deficit (Rainy Day Fund)	$ 47,854

B. Special Revenue Funds

Reserved (Non-Lapsing or Restricted By Law)

Uniform School Fund:	
Custom Fit Training	$ 2,150
Minimum School Program	4,756
State Office of Education	3,712
Area Vocational Centers	2,305
Miscellaneous Programs	559
School Building Loans Programs	1,700
Total	15,182
Transportation Fund:	
Aeronautical Programs	1,957
Sidewalk Construction	975
Engineering Services	8,769
State Construction	3,496
Miscellaneous Programs	192
Total	15,389
Total Special Revenue Funds	$ 30,571

C. Capital Projects Fund

The amount reserved of $35,084,000 represents encumbrances outstanding on various capital project balances of $34,844,000 and $240,000 which is reserved under law for planning construction projects. (See Note 5.)

D. Trust and Agency Funds

The $3,425,146,000 reserved for the Trust and Agency Funds represents:

Pension Benefits	$ 3,162,463
Non-Expendable Trust:	
Land Board	36,336
Expendable Trust:	
Unemployment Compensation Benefits	205,803
Indian Affairs	9,652
Restricted Various	10,892
Total	$ 3,425,146

NOTE 9. DEFICIT FUND BALANCES/ RETAINED EARNINGS

Funds reporting a deficit fund balance or retained earnings position at June 30, 1989 are (expressed in thousands):

Enterprise Funds:	
Technology Finance Corporation	$ 1,997
Internal Service Funds:	
Surplus Property	$ 119
Communications	$ 125
Prison Services	$ 3,814
Risk Management	$ 4,746
Transportation	$ 857
Expendable Trust Fund:	
Employers' Reinsurance	$ 80,323

The Technology Finance Corporation deficit retained earnings is expected to be funded through increased grant revenues and future returns on investments. The deficit retained earnings in Surplus Property, Communications and Transportation will be funded through increases in charges for products or services. The deficit retained earnings balance of the DSS-Prison Services is to be funded from future appropriations from the Utah Correctional Industries Enterprise Fund or from the General Fund. The deficit in Risk Management will be funded through increases in insurance premium billings to various State and local agencies.

The deficit in the Employers' Reinsurance Fund represents an actuarial estimate of the unfunded portion of future payments on claims incurred prior to June 30, 1989. The 1988 State Legislature took actions to increase funding and modify benefits to keep the current revenues sufficient to cover current expenses and start to build assets to cover the unfunded future claims.

The Technology Finance Corporation Enterprise Fund, and the Communications and Transportation Internal Service Funds have adequate contributed capital balance to cover their deficit retained earnings.

NOTE 10. OPERATING AND RESIDUAL EQUITY TRANSFERS

Operating transfers between funds occur when a fund receiving revenues transfers resources to a fund where the resources are to be expended. The transfers only occur after being legally authorized by the Legislature through statute or an "Appropriation Act." For the fiscal year ended June 30, 1989, the operating transfers by fund are as follows (expressed in thousands):

		Special Revenue Funds								
	General Fund	Uniform School Fund	Transportation Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	College & University Funds	Total Transfers Out
Transfers Out:										
General Fund	$ —	$ 8,055	$ 17,793	$ 60,620	$ 57,747	$ —	$ 25,314	$ 3,000	$ 268,906	$ 441,435
Special Revenue Funds:										
Uniform School Fund	11,491	—	—	—	—	530	—	—	—	12,021
Transportation Fund	34,624	—	—	15	4,000	—	—	—	—	38,639
Capital Projects Fund	1,433	—	—	—	—	—	—	—	—	1,433
Enterprise Funds	15,984	—	—	—	—	—	27	—	—	16,011
Internal Service Funds	787	—	—	—	—	—	—	—	—	787
Trust and Agency Funds	10,343	—	—	—	—	—	—	—	—	10,343
Total Transfers In	$ 74,662	$ 8,055	$ 17,793	$ 60,635	$ 61,747	$ 530	$ 25,341	$ 3,000	$ 268,906	$ 520,669

Residual Equity transfers occur when non-routine transfers are made from one fund to another. These transfers are usually made to provide funds for working capital. In addition to fund equity transfers, fixed assets with an original cost of $74,000 and estimated accumulated depreciation of $42,000 were transferred from the General Fixed Asset Account Group to the enterprise funds. This resulted in a contributed capital increase of $32,000. The internal service funds also, recognized a $68,000 increase to contributed capital for a fixed asset donation. For the fiscal year ended June 30, 1989, the residual equity transfers by fund are as follows (expressed in thousands):

	General Fund	Enterprise Funds	Internal Service Funds	Total Transfers Out
Transfers Out:				
General Fund	$ —	$ 1,937	$ 12,338	$ 14,275
Transportation Fund	—	—	2,219	2,219
Enterprise Funds	590	—	—	590
Capital Projects	—	—	1,372	1,372
Total Transfers In	$ 590	$ 1,937	$ 15,929	$ 18,456

NOTE 11. EXTRAORDINARY LOSSES

During the year the Student Assistance Program (Enterprise Funds) refinanced its Student Loan Marketing Association (SLMA) portfolio of student loans by prepaying $138,700,000 on its note. Proceeds were obtained from the 1988 Student Loan Revenue Bond. The SLMA note provided for a prepayment penalty of 0.5% for a total extraordinary loss from refinancing of $693,000.

NOTE 12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State of Utah has seven enterprise funds which are described below:

A. Alcoholic Beverage Control – The Alcoholic Beverage Control Commission administers the Alcoholic Beverage Control Act with financing from operations which include the sale of liquor products.

B. Utah Housing Finance Agency – The Agency issues bonds to provide capital for housing for low and moderate income families. Operations are financed from bond proceeds and from mortgage and investment interest and fees.

C. Workers' Compensation Fund – The Fund provides workers' compensation insurance to private and public employers and is financed through employer premiums. During the fiscal year, buildings held as investments at a cost of $1,710,000 with accumulated depreciation of $433,000 were transferred to fixed assets.

D. Student Assistance Programs – This is made up of two separate student assistance programs administered by the Utah State Board of Regents. The two programs are the Utah Higher Education Assistance Authority which guarantees repayment of eligible student loans and the Student Loan Purchase Program which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances.

E. Utah Industries for the Blind – The Industries for the Blind is a sheltered workshop that provides employment, evaluation, and training for adults who are blind or visually impaired. They are financed through sales of products and from State appropriated funds. During the fiscal year, assets of $74,000 with accumulated depreciation of $42,000 were transferred in from the General Fixed Assets Account Group.

F. Utah Technology Finance Corporation – The Corporation is a corporate body created to encourage and assist in the development of technological and small businesses in the State. The corporation is operated from grants, earnings, and State appropriations.

G. Utah Correctional Industries – The Correctional Industries provides employment for prisoners at the Utah State Prison. It is operated through the charges for services and the sale of goods produced.

Segment information for the fiscal year ended June 30, 1989, is as follows (expressed in thousands):

Year Ended June 30, 1989

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Correctional Industries	Total
Operating Revenue	$ 65,100	$ 96,722	$ 62,885	$ 26,768	$ 645	$ 210	$ 5,944	$ 258,274
Operating Expenses:								
Depreciation	501	25	284	3	15	5	129	962
Other	48,600	90,981	74,035	19,525	902	1,361	5,780	241,184
Operating Income	15,999	5,716	(11,434)	7,240	(272)	(1,156)	35	16,128
Operating Transfers In (Out)	(15,984)	0	0	0	530	0	(27)	(15,481)
Non-Operating Income (Loss)	(15)	0	13,451	(693)	0	0	(8)	12,735
Net Income (Loss)	$ 0	$ 5,716	$ 2,017	$ 6,547	$ 258	$ (1,156)	$ 0	$ 13,382
Current Assets	$ 9,967	$ 253,438	$ 53,344	$ 86,545	$ 551	$ 2,840	$ 2,716	$ 409,401
Current Liabilities	9,844	76,002	50,428	6,570	95	634	411	143,984
Net Working Capital	$ 123	$ 177,436	$ 2,916	$ 79,975	$ 456	$ 2,206	$ 2,305	$ 265,417
Total Assets	$ 15,335	$ 1,228,312	$ 194,818	$ 282,083	$ 623	$ 2,912	$ 3,758	$ 1,727,841
Total Liabilities	10,497	1,148,170	157,688	233,716	95	634	430	1,551,230
Fund Equity	$ 4,838	$ 80,142	$ 37,130	$ 48,367	$ 528	$ 2,278	$ 3,328	$ 176,611
Long-Term Debt	$ 653	$ 1,072,168	$ 107,260	$ 227,146	$ 0	$ 0	$ 19	$ 1,407,246
Capital Contributions	$ 4,838	$ 0	$ 0	$ 0	$ 445	$ 4,275	$ 3,328	$ 12,886
Fixed Assets July 1, 1988	$ 8,070	$ 646	$ 2,705	$ 89	$ 150	$ 30	$ 1,427	$ 13,117
Additions	629	75	2,803	0	74	7	261	3,849
Deletions	479	11	213	89	0	0	20	812
Fixed Assets June 30, 1989	$ 8,220	$ 710	$ 5,295	$ 0	$ 224	$ 37	$ 1,668	$ 16,154

NOTE 13. LITIGATION, CONTINGENCIES AND COMMITMENTS

The State is named in several legal proceedings where significant monetary damages are sought. The amounts sought range from $10,000 to $30 million and total $108 million. The State is vigorously contesting these matters but as of this date it is not possible to ascertain the outcome of these proceedings nor to estimate the possible effects an adverse decision might have on the future expenditures of State revenues. In the opinion of the Attorney General the amounts stated and claimed in most cases are unrealistic and excessive.

In addition, eight consolidated cases have been reactivated that were originally filed in 1979. The cases involve oil companies claiming that all taxes collected on their oil and gas leases located on the Navajo Indian Reservation in San Juan County are invalid for a variety of statutory and constitutional reasons. Disputed amounts are estimated at $50 million. In a related case, the Ute Indian tribe has filed a case to collect State taxes on mineral production by non-Indian operators on Indian land. The amount sought is $20 million. As of this date, based on recent Supreme Court rulings, we feel the claims are without merit.

Financial and compliance audits (Single Audit) of Federal grants, contracts and agreements were conducted under the provisions of the Federal Office of Management and Budget's Circulars, for the fiscal years ended June 30, 1988, 1987, 1986, 1985 and 1984. The audits included all State entities in 1988. In prior years (1984-1987) the Single Audit did not include the colleges and universities and, in 1984, the student loan programs. As a result of the audits, a total of $1.2 million of federal expenditures is facing disallowance. These costs will be contested with the federal agency involved and management estimates the liability to be less than the questioned amount. Other audit findings on non-compliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 1989 is near completion and management expects proposed disallowances to be immaterial.

Utah currently faces potential disallowances of federal funds for medicaid, emergency management, food stamps and aid to families with dependent children. The total amount in question is $15.4 million as a result of federal audits and state reviews. Additional audits and reviews are pending. All amounts are being or will be contested by the State. Management is unable to determine the effect on the State, if any, of any resulting liabilities.

The State is totally self-insured against liability claims and up to $2.5 million in property claims. According to an actuarial study, $19 million exists as incurred but unfiled or unpaid claims. This amount is reported as a liability of the Administrative Services Risk Management Fund (internal service). Also, the University of Utah Medical Center and School of Medicine have established self insurance trusts for malpractice liability claims. A liability has been recorded and as of June 30, 1989, the balances in the trust funds were adequate to cover the claims incurred.

The State Retirement Board (Pension Trust Fund) is involved in legal proceedings that could significantly affect the systems. Salt Lake County has sought to tax the real property owned by the Retirement Board and has received a favorable Summary Judgment in the district court. This matter is on appeal in the Utah Supreme Court but no hearing has been scheduled. The significance of this case is not in the amount of real estate taxes which may be payable, but in the liability for other taxes which could be significant. It is the opinion of the Retirement Board's legal counsel that the constitution and the statutes exempt the Retirement Board from all taxes.

The State Retirement System (Pension Trust) Investment Fund has, at the balance sheet date, committed to fund certain venture capital partnerships and real estate projects for an amount of $219,000,000. Funding of $86,466,000 has been provided leaving an unfunded commitment of $132,534,000.

As of June 30, 1989, the Utah Housing Finance Agency (enterprise fund) is committed to purchase mortgages under the Single-Family Mortgage Purchase Program in the amount of $67,332,000.

At June 30, 1989, the internal service funds had loan and grant commitments of approximately $25,647,000 ($14,448,000 grants, $11,199,000 loans).

At June 30, 1989, the Utah Higher Education Assistance Authority (Student Assistance Program, enterprise fund) had guaranteed student loans outstanding with an original principal amount of approximately $417,156,000.

NOTE 14. PENSION PLANS

Eligible employees of the State are covered by one of the following retirement plans:

A. Utah State Retirement Systems

The Utah State Retirement Systems (Systems) and related deferred compensation plans (Plans) were established by Chapter 49 of *Utah Code Annotated, 1953*, as amended. The Systems are a group of cost-sharing, multiple-employer defined benefit public employee retirement systems (PERS). The Utah State Retirement Office administers the Systems and Plans under the direction of the Utah Retirement Board (Board), which consists of the State Treasurer and six members appointed by the Governor. The Board has a separate accounting system and prepares a component unit financial report covering all retirement systems and deferred compensation plans administered by it. The Systems and Plans maintain records and accounts and prepare financial statements using fund accounting principles and the accrual basis of accounting. The Board's accounting system reports on a calendar year end. The December 31, 1988 component unit financial report has been included in this Comprehensive Annual Financial Report as a Pension Trust Fund for the PERS and 401(k) Deferred Compensation Plan and as an agency fund for the 457 Deferred Compensation Plan.

The Systems are comprised of the following groups of defined benefit PERS covering substantially all employees of the State, public education and other political subdivisions of the State:

- The Contributory Retirement System includes employees of participating higher education, secondary education, and other State and local governmental units, including support staff associated with employees covered under the other systems below.
- The Noncontributory Retirement System was established on July 1, 1986. All new employees of State and school entities hired subsequent to that date are automatically members of this new system. Local governmental entities have the option of adopting the new System or remaining with the Contributory System.
- The Utah Public Safety Retirement System (Public Safety) includes State and local governmental employees directly involved in law enforcement.
- The Utah Firefighters' Retirement System (Firefighters') includes State and local government employees directly involved in fire fighting.
- The Utah Judges' Retirement System (Judges') includes State and local, appointed, or elected judges.
- Other – Several other smaller plans are offered to those employees or groups of employees who elect coverage.

Retirement benefits are specified by State statutes. The Retirement Systems are defined benefit plans wherein the benefits are computed using final average salary and years of service. Various plan options within the Systems may be selected by retiring members, some of which require actuarial reductions based on attained age, age of spouse, and similar actuarial factors. A brief summary of eligibility for and benefits of the Systems are provided in the following table:

	Contributory System	Non-Contributory System	Public Safety System	Firefighters' System	Judges' System
Highest Average Salary	Highest 5 Years	Highest 3 Years	Highest 3 Years	Highest 3 Years	Highest 3 Years
Years of Service Required and/or Age Eligible for Benefit	30 years any age 20 years age 60 10 years age 62 4 years age 65	30 years any age *25 years any age 20 years age 60 10 years age 62 4 years age 65	20 years any age 10 years age 60 4 years age 65		25 years age 55 10 years age 62 6 years age 70
Benefit Percent per Year of Service	1.10% per year to June 1967 1.25% per year July 1967 to June 1975 2.00% per year July 1975 to present		2.5% per year up to 20 years 2.0% per year over 20 years		3.80% to 10 years 2.25% to 20 years 1.0% over 20 years

*With full actuarial reductions

Death benefits for active and retired employees are in accordance with retirement statutes. Member's benefits fully vest after six years in the Judges' Systems and four years in the other Systems. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits or withdraw the accumulated funds in their individual member account and forfeit rights to future benefits.

At December 31, 1988, participating members, by System, are included in the following table:

	Contributory System	Non-Contributory System	Public Safety System	Fire-fighters' System	Judges' System
Number of participating:					
Employers	304	249	104	24	1
Members:					
Active	24,090	44,587	4,091	1,010	86
Terminated vested	8,009	2,506	572	65	1
Retirees and beneficiaries:					
Current	13,120	3,700	1,063	445	44
Disability	536	—	91	73	1

System participation requires employee and employer contributions. Employee contributions are vested and ranged from 6.0% to 14.81% of the employee's annual salary or wages. The employee vested contributions may be paid in part or in whole by the employer. Employer contributions vest to the employee after four to six years of employment and range from 1.32% to 14.64% of the employee's salary or wages. Employer contribution rates consist of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current service year) and (2) an amount for amortization of the unfunded pension benefit obligation over the remainder of the original 40-year amortization period. These rates are determined using the entry age normal actuarial cost method with a supplemental value and the same actuarial assumptions that were used to calculate the pension benefit obligation. Retirement benefits are specified by statute and are computed using final average salary, age, and years of service.

The Board engages an independent firm of actuaries to estimate the present value of pension benefit obligations for the purpose of determining required reserves for active and terminated participants, retired individuals and beneficiaries, and for the determination of contribution rates.

Pension benefit obligations are those future periodic payments including lump sum distributions that are attributable to the service employees have rendered to date under plan provisions of the various systems. The present value of pension benefit obligations are calculated based on the unit credit actuarial cost method with benefits based on projected salary increases.

The schedule below presents the primary actuarial assumptions used in the actuarial report dated January 1, 1988.

System	Assumed Rate of Interest	1983 Group Annuity Mortality Table (Years Set Ahead) Male	1983 Group Annuity Mortality Table (Years Set Ahead) Female	Assumed Salary Increases	Retirees and Beneficiaries Maximum Annual Cost of Living Adjustment
Contributory	7.5%	0	1	5.75%	4.0%
Non-contributory	7.5%	0	1	5.75%	4.0%
Public Safety	7.5%	2	1	5.75%	2.5%
Firefighters'	7.5%	2	1	5.75%	2.5%
Judges'	7.5%	0	1	5.75%	4.0%

Prior years' experience was used for the retirement age assumption. Assumed salary increases are attributable to inflation and seniority/merit and not post-retirement benefit increases. The actuarial assumed interest rate of 7.5% was allocated to appropriate pension benefit obligation reserves. Net investment earnings in excess of the assumed interest rate were allocated to appropriate fund balances in accordance with State law and Board directives.

The amount shown below as "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Utah Retirement Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS. The measure is independent of the actuarial funding method used to determine contributions to the Systems. Ten-year historical trend information is presented as part of the Utah Retirement Systems' separately issued component unit financial report and is designed to help users evaluate the Systems' progress in accumulating sufficient assets to pay pension benefits as they become due.

The pension benefit obligation in these financial statements was determined based on the actuarial valuation at January 1, 1988 plus all activity recorded from that date through December 31, 1988. Significant actuarial assumptions used are described in this note.

The January 1, 1988 actuarial valuation of pension benefit obligations and net assets available are presented in the following table (expressed in thousands):

	Contributory System	Noncontributory System	Public Safety System	Firefighters' System	Judges' System	Total All Systems
Pension benefit obligation:						
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 614,134	$ 664,087	$ 142,836	$ 67,000	$ 7,270	$ 1,495,327
Current employees:						
Accumulated employee contributions, including allocated investment income	236,083	450,979	62,337	23,996	3,182	776,577
Employer-financed portion vested	115,583	497,828	110,152	72,499	7,548	803,610
Employer-financed portion non-vested	5,414	7,313	3,441	2,025	1,432	19,625
Total pension benefit obligation	971,214	1,620,207	318,766	165,520	19,432	3,095,139
Unreserved but designated	83,253	34,655	18,781	12,537	664	149,890
Total pension benefit obligation and unreserved but designated	1,054,467	1,654,862	337,547	178,057	20,096	3,245,029
Net assets available for benefits at cost (market value is $2,996,541)	836,914	1,606,266	260,256	119,605	14,702	2,837,743
Unfunded pension benefit obligation	$ 217,553	$ 48,596	$ 77,291	$ 58,452	$ 5,394	$ 407,286

Unreserved but Designated

Actuarial experience reserves – have been established by the Board to provide for possible adverse experiences from actuarial assumptions and investment performance. This reserve is comprised of investment earnings in excess of the actuarial assumed interest rate of 7.5% up to approximately 3% of the pension benefit obligation for active and inactive members.

Retired actuarial experience reserve – as authorized by the respective sections of chapter 49 of the *Utah Code Annotated, 1953,* as amended, has been established by the Board for retired members to provide for possible adverse experiences from actuarial assumptions and investment performance. This reserve is comprised of excess investment earnings in excess of the actuarial assumed interest rate of 7.5% up to approximately 3% of the pension benefit obligation for current retirees and beneficiaries.

Retired excess earnings reserves – as authorized by the respective sections of chapter 49 of the *Utah Code Annotated, 1953,* as amended, has been established by the Board for retired members additional benefits and is comprised of unpaid cumulative excess investment earnings from the pension benefit obligation for current retirees and beneficiaries. These are reserves which are net excess earnings accumulations over those recorded in the retired actuarial experience reserves.

Assets in Excess of Pension Benefit Obligation

Net assets available for future benefit obligations represent the excess of net assets available for benefits over the pension benefit obligations and total unreserved but designated fund balance.

Unfunded Pension Benefit Obligations

Unfunded pension benefit obligations represent the excess of the total pension benefit obligations and total unreserved but designated fund balance over net assets available for benefits.

Insurance Reserve

The insurance reserve was established by the Board out of investment earnings for insurance risks not covered under existing insurance policies.

The unfunded actuarial liability is not segregated by participating governmental units. Therefore, it is not possible to segregate the unfunded actuarial liability for the State of Utah as a separate entity. However, it is anticipated by the actuary that the increased contribution rate will remain approximately level and will fund current service cost and will amortize unfunded actuarial liabilities of prior service cost over the forty-year period ending January 1, 2012.

Contributions made by employers and employees were in accordance with actuarially computed funding requirement determinations. Fire insurance premium taxes and court fees are included as part of employer contributions in the schedule below for the Firefighters' and Judges' Systems, respectively.

Information with regard to actuarially determined contribution requirements are for employers and employees in the Retirement Systems for the year ended December 31, 1988 and are indicated below (expressed in thousands):

	Contribution Requirements					Contributions Made				
	Normal Cost		Unfunded Cost			Member		Employer		
System	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	Total Amount	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	Covered Payroll
Contributory	$ 51,120	10.98%	$ 8,798	1.89%	$ 59,918	$ 28,131	6.04%	$ 31,787	6.83%	$ 465,490
Noncontributory	75,038	9.29%	20,686	2.56%	95,724	1,052	0.13%	94,672	11.72%	808,029
Public Safety	14,742	14.74%	5,319	5.32%	20,061	12,438	12.44%	7,623	7.62%	99,984
Firefighters'	6,766	23.22%	2,989	10.26%	9,755	4,248	14.58%	5,507	18.90%	29,136
Judges'	842	17.68%	186	3.91%	1,028	381	8.00%	647	13.59%	4,762
Total	$ 148,508		$ 37,978		$ 186,486	$ 46,250		$ 140,236		$ 1,407,401

The following table represents the State of Utah's actuarially determined employer contributions to the State Retirement Systems for Fiscal Year 1989 (expressed in thousands):

	Contributory System	Noncontributory System	Public Safety System	Judges' System	Total All Systems
State of Utah:					
Covered payroll	$ 109,250	$ 155,622	$ 39,873	$ 5,069	$ 309,814
Contributions made	14,330	18,234	5,922	371	38,857
Percentage of total contributions from all employers	23.916%	19.008%	29.521%	36.091%	21.986%
Colleges and Universities:					
Covered payroll	51,239	73,934	193	—	125,366
Contributions made	6,709	8,627	23	—	15,359
Percentage of total contributions from all employers	11.198%	9.013%	0.114%	—	8.691%
Total:					
Covered payroll	$ 160,489	$ 229,556	$ 40,066	$ 5,069	$ 435,180
Contributions made	$ 21,039	$ 26,861	$ 5,945	$ 371	$ 54,216
Percentage of total contributions from all employers	35.114%	28.021%	29.635%	36.091%	30.677%

Total payroll for the State of Utah for fiscal year 1989 was $724,496,000. This includes $379,276,000 applicable to colleges and universities.

B. Teachers Insurance and Annuity Association

The Teachers Insurance and Annuity Association (TIAA-CREF), a privately administered defined contribution retirement plan, provides individual retirement fund contracts for each eligible participating employee. Eligible employees consist mainly of State College/University and Area Vocational Center faculty. Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. The total contribution is 14.2% of the employee's annual salary. Most of the colleges and universities contribute both the employer and the employee share of 7.1%. All other employees in this plan pay their share and the employer matches it. The State has no further liability once annual contributions are made.

The State of Utah's actual current year employer contributions to the TIAA-CREF retirement system are listed below (expressed in thousands):

	Year Ended June 30, 1989	Year Ended June 30, 1988
General Fund	$ 122	$ 117
Special Revenue Fund:		
Uniform School Fund	55	49
Enterprise Funds	37	28
College and University Funds	26,837	25,615
Total	$ 27,051	$ 25,809

C. Travelers Insurance Retirement Plan

There are 394 employees of the Department of Employment Security (accounted for in the General Fund) participating in the Travelers Insurance Plan which is a deposit fund administered retirement plan. The employer payments are fully funded through federal revenues from the U.S. Department of Labor.

The contribution is 9.37% of the employee's annual salary, of which 3.05% is paid by the employee, 3.95% is paid by the employer for the employee, and 2.37% is paid by the employer. The employer is also contributing to prior service costs. Retirement benefits are computed using salary, age and years of service.

According to the latest periodic actuarial valuation on October 1, 1988, the present value of future retirement benefits is $77,968,000 and the unfunded liability is $18,975,000. Net assets available for benefits are $71,149,000. The unfunded liability represents cost of living increases on benefits. The average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7.0% for 1989 and 1988.

The State of Utah's actual current year employer contributions, including prior year service costs to the Travelers Retirement Plan from the General Fund in fiscal years ended June 30, 1989 and 1988 were $1,461,000 and $4,062,000, respectively.

NOTE 15. DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. There are four colleges and universities which have also set up separate deferred compensation plans under the IRC Section 457 for their employees. Amounts for these four colleges and universities are reported in the Agency Funds of the college and university financial statements. The amounts for the State plan including other participating colleges and universities are reported in the State's Agency Funds and included in cash and cash equivalents and other investments.

There are no funding requirements in the deferred compensation plans other than the deposit of deferred compensation or voluntary contributions for the employee by the employer. The deferred compensation under both plans is not available to employees until termination, retirement, death, or unforeseeable emergency.

All compensation deferred under the plans, as well as assets acquired and income earned by the plans, are held as agency funds for the respective employers and do not belong to the member participants until the funds are distributed to them. Until that time the funds remain assets of the respective employers and are available to the general creditors of these employers. Participants' rights under the plans are equal to those of general creditors of the respective employers in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State and colleges and universities have no liability for losses under the plans but do have the duty to exercise the due care that would be required of an ordinary prudent investor. The State and colleges and universities believe that it is unlikely that they will use the plans' assets to satisfy the claims of general creditors in the future.

Of the $93,138,000 in assets reported on the balance sheet in the State plan at December 31, 1988, $47,270,000 was applicable to State agencies including State colleges and universities participating in the State plan and $45,868,000 represents the assets of the other jurisdictions participating in the plan.

NOTE 16. SUBSEQUENT EVENTS

On July 18, 1989, the State issued $52,000,000 of General Obligation Building Bonds for the purpose of acquiring, constructing and renovating certain capital projects throughout the State. The bonds were dated July 15, 1989 and $12,000,000 mature on July 1, 1994 and $40,000,000 mature July 1, 1995. The bonds have interest rates of 6.25% and 6.40%, respectively.

On November 1, 1989, the State issued $9,965,000 of Revenue Bonds. The bond proceeds will provide new loan capital for drinking water projects. Debt service for the bonds will be from the repayment of existing water project loans made to other political subdivisions. The revenue bonds mature June 1, 1990 through December 1, 2005 and have interest rates from 6.00% to 7.375%.

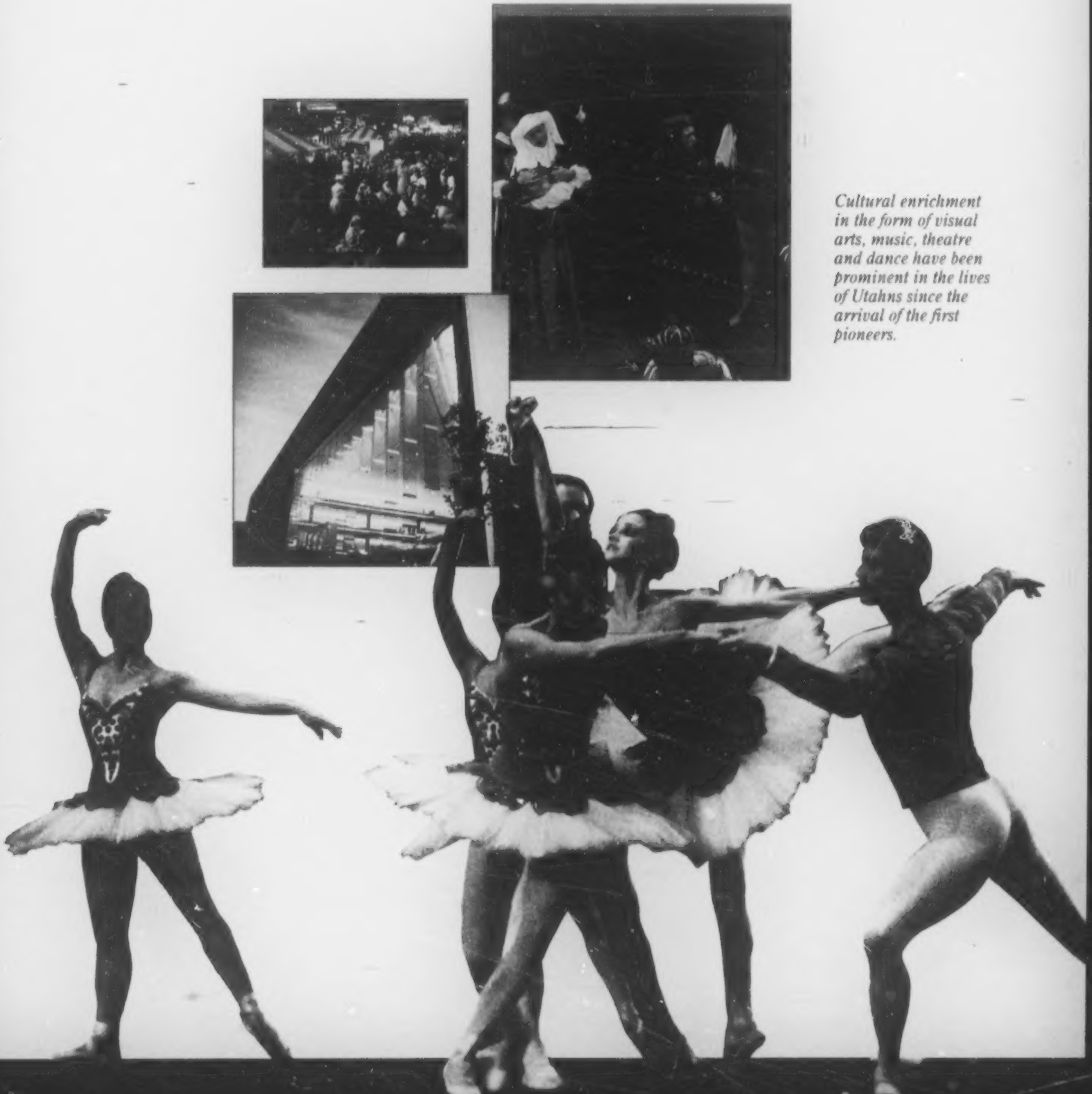
On August 25, 1989, the Student Assistance Program (enterprise fund) received a contribution of $635,000 from the Loan Servicing Corporation of Utah, a private nonprofit corporation.

The Transportation Internal Service Fund will be eliminated with assets and liabilities being transferred to the Transportation Fund effective July 1, 1989, as required by the State Legislature.

On August 25, 1989, Utah Technology Finance Corporation (enterprise fund) approved funding for additional awards totaling $850,000.

GENERAL FUND

The General Fund is maintained to account for all governmental financial resources and transactions not accounted for in another fund.



Cultural enrichment in the form of visual arts, music, theatre and dance have been prominent in the lives of Utahns since the arrival of the first pioneers.

STATE OF UTAH

Schedule of Revenues – Budget and Actual – General Fund – Detail by Source

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted Revenues:			
Sales Tax	$ 630,000	$ 666,943	$ 36,943
Licenses, Fees and Permits:			
Public Service Commission Fees	4,427	3,227	(1,200)
Insurance Fees	2,462	3,856	1,394
Circuit Court Collections – Civil	1,106	961	(145)
Other Licenses, Fees and Permits	6,972	11,065	4,093
Interest on Investments	6,536	19,236	12,700
Miscellaneous Taxes and Other:			
Beer Tax	7,400	7,641	241
Cigarette and Tobacco Tax	20,100	23,089	2,989
Inheritance Tax	3,000	9,766	6,766
Insurance Premium Tax	30,000	26,406	(3,594)
Mine Occupation Tax	29,400	28,134	(1,266)
Oil and Gas Conservation Tax	2,466	1,065	(1,401)
Taxpayer Rebates	(900)	(1,396)	(496)
Circuit Court Collections – Criminal Fees and Fines	8,785	6,942	(1,843)
Miscellaneous Other	47	321	274
Total Unrestricted Revenues	751,801	807,256	55,455
Restricted Revenues:			
Federal Contracts and Grants	473,746	473,746	0
Departmental Collections	82,763	83,682	919
Higher Education Dedicated Credits	73,882	73,882	0
Federal Mineral Lease	49,100	50,800	1,700
Interest on Investments	6,505	7,876	1,371
Miscellaneous	49,826	49,899	73
Total Restricted Revenues	735,822	739,885	4,063
Total General Fund Revenues	$ 1,487,623	1,547,141	$ 59,518
Intrafund Eliminations		(132,147)	
Net General Fund Revenues – GAAP Basis		$ 1,414,994	

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

		Source of Funding			
Line Item #	Appropriation Line Item Description	State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
GENERAL GOVERNMENT					
Legislature					
1	Senate	$ 698	$ —	$ —	$ 698
2	House	1,230	—	—	1,230
3	Printing	428	—	246	674
4	Research & General Counsel	2,372	—	—	2,372
5	Tax Recodification	136	—	—	136
—	NCSL Educational Grants	9	—	—	9
6	Fiscal Analyst	1,030	—	—	1,030
7	Auditor General	1,018	—	—	1,018
8	Conference of State Legislatures	54	—	—	54
11	Judicial Conduct Commission	35	—	—	35
10	Constitutional Revision Commission	146	—	—	146
9	Council of State Governments	46	—	—	46
	Total Legislature	$ 7,202	$ 0	$ 246	$ 7,448
State Courts					
27	Judicial Council	$ 33,396	$ 1	$ 3,777	$ 37,174
—	Juror and Witness Fees	894	—	—	894
	Total State Courts	$ 34,290	$ 1	$ 3,777	$ 38,068
Elected Officials					
26	State Treasurer	$ 457	$ —	$ 383	$ 840
12	GOV – Administrative Office	1,242	—	2	1,244
15	GOV – Planning and Budget	1,693	22	14	1,729
—	GOV – Fusion Energy Advisory Comm	2,008	—	—	2,008
17	GOV – Criminal & Juvenile Justice	400	2,465	9	2,874
14	GOV – Emergency & Contingency Fund	2	—	—	2
18	Lt. Governor	563	—	2	565
19	Lt. Governor – Law & Citizenship	61	—	—	61
20	Attorney General	4,135	—	2,340	6,475
—	AG – Reimbursed Expenses	—	14	76	90
—	AG – Narcotics Enforcement	—	182	—	182
22	AG – Anti-Trust Prosecutions	—	—	89	89
23	AG – Contractual Attorney Fees	25	—	494	519
24	AG – Statewide Prosecutors	80	—	—	80
21	AG – Economic Crime Unit	14	—	—	14
—	AG – Lien and Judgment Execution	73	—	—	73
25	State Auditor	1,437	—	225	1,662
	Total Elected Officials	$ 12,190	$ 2,683	$ 3,634	$ 18,507

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 624	$ —	$ —	$ 74	1
1,120	—	—	110	2
612	—	—	62	3
1,897	—	—	475	4
57	—	—	79	5
—	—	—	9	—
958	—	—	72	6
962	—	—	56	7
54	—	—	—	8
20	—	—	15	11
50	—	—	96	10
46	—	—	—	9
$ 6,400	$ 0	$ 0	$ 1,048	
$ 37,147	$ —	$ —	$ 27	27
811	—	—	83	—
$ 37,958	$ 0	$ 0	$ 110	
$ 812	$ 4	$ —	$ 24	26
1,139	30	—	75	12
1,709	20	—	—	15
3	—	—	2,005	—
2,862	12	—	—	17
—	2	—	—	14
425	15	—	125	18
51	—	—	10	19
6,366	109	—	—	20
70	20	—	—	—
182	—	—	—	—
89	—	—	—	22
518	1	—	—	23
80	—	—	—	24
2	—	—	12	21
8	—	—	65	—
1,656	6	—	—	25
$ 15,972	$ 219	$ 0	$ 2,316	

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Budget as Appropriated and Amended
GENERAL GOVERNMENT (Cont.)					
Government Operations					
87	Department of Administrative Services	$ 331	$ —	$ 1	$ 332
95	DAS – Administrative Rules	207	—	2	209
94	DAS – Archives	1,163	—	21	1,184
88	DAS – Facilities Const. & Management	1,593	—	1	1,594
89	DAS/DFCM – Facilities Management	2,681	—	—	2,681
—	DAS/DFCM – Agency Reorganization	149	—	—	149
90	DAS – Finance	4,424	—	291	4,715
91	DAS – Mandated Expenditures	384	—	—	384
93	DAS – Purchasing	720	—	82	802
34	DAS – Crime Victim Reparation	218	—	—	218
96	Tax Commission – Administration	24,801	242	5,899	30,942
97	TAX – License Plates	743	—	1,391	2,134
99	TAX – Litigation Account	583	—	46	629
98	TAX – Liquor Profits Distribution	4,089	—	—	4,089
52	Employment Security	—	31,686	2,697	34,383
51	DAS – Citizens Advisory Council	6	—	—	6
105	DAS – DFCM Provo Regional Center	1,400	—	14,786	16,186
—	DAS – Mineral Lease in Lieu Payments	234	—	—	234
101	State Retirement Office	9,139	—	—	9,139
103	SRO – Legislative & Governor's Pension	100	—	—	100
92	Human Resource Management	1,283	—	60	1,343
100	Personnel Review Board	91	—	—	91
	Total Government Operations	54,339	31,928	25,277	111,544
	Total General Government	$ 108,021	$ 34,612	$ 32,934	$ 175,567
	Intrafund Eliminations				
	Net General Government				
PUBLIC SAFETY					
Department of Public Safety					
232	DPS – Emergency Management	$ 386	$ 4,692	$ 27	$ 5,105
233	DPS – Commissioner's Office	2,768	—	1,142	3,910
235	DPS – Safety Promotion	107	—	—	107
237	DPS – Officer Standards & Trng.	937	—	108	1,045
238	DPS – Law Enforcement Services	1,527	—	231	1,758
236	DPS – Investigative Services	1,837	433	218	2,488
239	DPS – Driver License	7,048	136	22	7,206
234	DPS – Highway Patrol	17,293	87	925	18,305
240	DPS – Highway Safety	83	834	—	917
—	DPS – Commercial Driver Training	2	—	1	3
242	DPS – Communications	2,082	—	561	2,643
241	DPS – State Fire Marshal	478	—	60	538
	Total Department of Public Safety	$ 34,548	$ 6,182	$ 3,295	$ 44,025

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 332	$ —	$ —	$ —	87
209	—	—	—	95
1,166	18	—	—	94
1,593	1	—	—	88
2,681	—	—	—	89
107	—	—	42	—
4,248	—	38	429	90
330	54	—	—	91
802	—	—	—	93
213	—	5	—	34
30,914	8	20	—	96
1,296	—	—	838	97
247	—	—	382	99
4,089	—	—	—	98
34,181	—	202	—	52
4	—	2	—	51
16,186	—	—	—	105
234	—	—	—	—
8,071	—	1,068	—	101
100	—	—	—	103
1,327	16	—	—	92
91	—	—	—	100
108,421	97	1,335	1,691	
168,751	$ 316	$ 1,335	$ 5,165	
(1,691)				
$ 167,060				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 4,910	$ —	$ —	$ 195	232
3,336	2	—	572	233
107	—	—	—	235
1,043	—	2	—	237
1,753	5	—	—	238
2,477	8	—	3	236
7,116	—	11	79	239
18,179	4	122	—	234
917	—	—	—	240
—	—	—	3	—
2,629	4	10	—	242
515	3	—	20	241
$ 42,982	$ 26	$ 145	$ 872	

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
UTAH NATIONAL GUARD					
243	Utah National Guard	$ 1,740	$ 1,692	$ 4	$ 3,436
	Total Public Safety	$ 36,288	$ 7,874	$ 3,299	$ 47,461
	Intrafund Eliminations				
	Net Public Safety				
SOCIAL SERVICES					
215	Department of Social Services	$ 5,820	$ 5,820	$ 2,083	$ 13,723
216	Community Operations	19,371	19,849	6,196	45,416
217	Mental Health	24,456	2,366	6,551	33,373
218	Alcoholism & Drugs	6,294	3,752	51	10,097
219	Public Assistance	28,253	63,351	2,339	93,943
—	Homeless Coordinating Committee	50	—	—	50
220	Services to the Handicapped	14,133	2,383	24,619	41,135
221	Recovery Services	—	7,790	5,866	13,656
222	Family Services	5,479	9,151	767	15,397
29	Youth Corrections	15,248	14	1,616	16,878
223	Aging and Adult Services	2,712	5,171	65	7,948
--	Commodities	—	62,138	—	62,138
	Total Social Services	$ 121,816	$ 181,785	$ 50,153	$ 353,754
	Intrafund Eliminations				
	Net Social Services				
CORRECTIONS					
30	Corrections Administration	$ 53,475	$ 96	$ 1,934	$ 55,505
31	DOC – Jail Reimbursement	500	—	—	500
33	DOC – Board of Pardons	729	—	—	729
	Total Corrections	$ 54,704	$ 96	$ 1,934	$ 56,734
	Intrafund Eliminations				
	Net Corrections				
HEALTH					
225	Department of Health	$ 4,571	$ 213	$ 2,349	$ 7,133
226	Environmental Health	4,374	12,493	2,654	19,521
227	Community Health Services	4,685	2,388	1,992	9,065
228	Family Health Services	5,190	24,803	1,733	31,726
229	Health Care Financing	4,806	12,442	3,358	20,606
230	Medical Assistance	46,359	151,156	14,497	212,012
—	Water Security Enhancement	6	—	—	6
	Total Health	$ 69,991	$ 203,495	$ 26,583	$ 300,069
	Intrafund Eliminations				
	Net Health				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 3,413	$ 23	$ —	$ —	243
46,395	$ 49	$ 145	$ 872	
(1,775)				
$ 44,620				
$ 12,883	$ 82	$ —	$ 758	215
45,200	198	—	18	216
33,288	8	—	77	217
9,949	41	107	—	218
91,443	2,500	—	—	219
28	—	22	—	—
40,948	187	—	—	220
13,656	—	—	—	221
14,738	586	73	—	222
16,605	254	4	15	29
7,846	102	—	—	223
62,138	—	—	—	—
348,722	$ 3,958	$ 206	$ 868	
(32,819)				
$ 315,903				
$ 55,112	$ 329	$ —	$ 64	30
500	—	—	—	31
729	—	—	—	33
56,341	$ 329	$ 0	$ 64	
—				
$ 56,341				
$ 7,129	$ 4	$ —	$ —	225
18,900	—	—	621	226
8,719	32	—	314	227
30,434	—	—	1,292	228
20,386	63	—	157	229
212,237	—	—	(225)	230
6	—	—	—	—
297,811	$ 99	$ 0	$ 2,159	
(17,363)				
$ 280,448				

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
HIGHER EDUCATION					
175	Board of Regents	$ 1,354	$ 62	$ 4	$ 1,420
—	REG – Student Incentive Grants	—	540	16	556
178	REG – Computer Services & Uniform Acct.	16	—	—	16
177	REG – Intercollegiate Assembly	3	—	—	3
180	REG – Statewide T.V.	159	—	—	159
179	REG – Student Loans	311	—	38	349
176	REG – Interstate Coop.	1,063	—	—	1,063
181	REG – Normal Scholarships	763	—	7	770
—	REG – Title II Funds	10	288	3	301
—	REG – Teacher Scholarships	15	125	—	140
114	U of U – Education & General	96,883	—	29,314	126,197
115	U of U – Ed. Disadvantaged	565	—	—	565
116	U of U – College of Medicine	11,633	—	2,594	14,227
117	U of U – University Hospital	2,761	—	—	2,761
118	U of U – Regional Dental Education	379	—	44	423
119	U of U – Center for Economic Dev.	77	—	—	77
120	U of U – Research & Trng. Grants	2,167	—	—	2,167
121	U of U – Seismograph Stations	211	—	—	211
122	U of U – Museum of Natural History	253	—	—	253
123	U of U – State Arboretum	64	—	—	64
126	U of U – KUED County Translators	2,023	—	—	2,023
124	U of U – Scientific Instrumentation	—	—	823	823
—	U of U – Miners Hospital	—	—	99	99
128	U of U – Land Grant Interest	—	—	214	214
125	U of U – Coal Research	—	—	627	627
127	U of U – Mineral Lease Research	2,418	—	—	2,418
129	USU – Education & General	46,782	50	13,412	60,244
130	USU – Ed. Disadvantaged	89	—	—	89
131	USU – Water Research Lab.	1,732	—	—	1,732
133	USU – Research & Trng. Grants	691	—	—	691
132	USU – Ecology Center	562	—	—	562
141	USU – Agriculture Experiment Station	6,281	—	267	6,548
142	USU – Cooperative Extension Service	5,322	—	65	5,387
135	USU – Uintah Basin CEC	567	—	288	855
134	USU – Southeastern Utah CEC	275	—	120	395
136	USU – Man & His Bread Museum	105	—	—	105
137	USU – Coop. Mast. of Ed. Degree/SUSC	69	—	64	133
139	USU – Production Center	236	—	—	236
144	USU – Federal Vocational Education	—	126	—	126
138	USU – Research and Development	—	—	1,117	1,117
143	USU – Land Grant Interest	—	—	79	79
140	USU – Mineral Lease Research	1,503	—	—	1,503
145	Weber – Education & General	31,207	—	10,680	41,887
146	Weber – Ed. Disadvantaged	196	—	—	196
147	Weber – Computer Systems Modification	—	—	20	20
148	Weber – Cooperative Nursing USU	198	—	15	213
149	Weber – Cooperative Nursing SLCC	294	—	25	319
150	Weber – Cooperative Nursing SUSC/Dixie	194	—	11	205
151	Weber – Federal Vocational Education	—	193	—	193
152	SUSC – Education & General	9,694	—	—	9,694
153	SUSC – Ed. Disadvantaged	47	—	—	47
154	SUSC – Coop. Mast. of Ed. Degree/USU	29	—	—	29
155	SUSC – Shakespearean Festival	13	—	—	13

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 1,420	$ —	$ —	$ —	175
556	—	—	—	—
16	—	—	—	178
3	—	—	—	177
159	—	—	—	180
187	—	—	162	179
1,029	—	—	34	176
665	—	—	105	181
299	—	—	2	—
138	—	—	2	—
126,197	—	—	—	114
565	—	—	—	115
14,227	—	—	—	116
2,761	—	—	—	117
423	—	—	—	118
77	—	—	—	119
2,167	—	—	—	120
211	—	—	—	121
253	—	—	—	122
64	—	—	—	123
2,023	—	—	—	126
823	—	—	—	124
99	—	—	—	—
214	—	—	—	128
627	—	—	—	125
2,418	—	—	—	127
60,244	—	—	—	129
89	—	—	—	130
1,732	—	—	—	131
691	—	—	—	133
562	—	—	—	132
6,548	—	—	—	141
5,387	—	—	—	142
855	—	—	—	135
395	—	—	—	134
105	—	—	—	136
133	—	—	—	137
236	—	—	—	139
126	—	—	—	144
1,117	—	—	—	138
79	—	—	—	143
1,503	—	—	—	140
41,887	—	—	—	145
196	—	—	—	146
20	—	—	—	147
213	—	—	—	148
319	—	—	—	149
205	—	—	—	150
193	—	—	—	151
9,694	—	—	—	152
47	—	—	—	153
29	—	—	—	154
13	—	—	—	155

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Line Item #	Appropriation Line Item Description	Source of Funding State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
HIGHER EDUCATION (Cont.)					
164	CEU – Education & General	$ 4,681	$ —	$ 696	$ 5,377
165	CEU – Ed. Disadvantaged	99	—	—	99
166	CEU – Prehistoric Museum	35	—	—	35
167	CEU – San Juan Center	403	—	208	611
168	CEU – Federal Vocational Education	—	—	239	239
160	Dixie – Education & General	5,834	—	1,642	7,476
161	Dixie – Ed. Disadvantaged	15	—	—	15
162	Dixie – Zion Park Amphitheatre	36	—	16	52
163	Dixie – Federal Vocational Education	—	—	128	128
157	Snow College – Education & General	5,442	—	1,309	6,751
158	Snow College – Ed. Disadvantaged	25	—	—	25
159	Snow College – Federal Vocational Ed.	—	166	—	166
172	SLCC – Education & General	14,597	—	6,408	21,005
173	SLCC – Ed. Disadvantaged	65	—	—	65
174	SLCC – Federal Vocational Education	—	323	—	323
169	UVCC – Education & General	12,104	—	5,545	17,649
170	UVCC – Ed. Disadvantaged	51	—	—	51
171	UVCC – Federal Vocational Education	—	—	379	379
	Total Higher Education	$ 272,601	$ 1,873	$ 76,516	$ 350,990
	Appropriations Transferred to Colleges and Universities				$ 268,906
	Intrafund Eliminations				
	Net Higher Education				
NATURAL RESOURCES					
182	Department of Natural Resources	$ 1,137	$ —	$ —	$ 1,137
184	DNR – Rent, Utilities, Fixtures	1,349	—	—	1,349
201	DNR – Middle Fork Ogden River	2,019	—	—	2,019
185	DNR – State Lands & Forestry	3,766	195	464	4,425
—	DNR/SLF – Airport Land Exchange	40	—	—	40
186	DNR – Oil, Gas, & Mining	1,736	3,009	65	4,810
191	DNR – Wildlife Resources	15,312	2,399	535	18,246
200	DNR/DWR – Capital Development	804	1,675	208	2,687
193	DNR/DWR – Contributed Research	—	—	66	66
192	DNR/DWR – Cooperative Studies	—	400	16	416
196	DNR – Parks & Recreation	7,956	1,349	2,785	12,090
202	DNR/DPR – Capital Development	1,063	225	205	1,493
187	DNR – Geological & Mineral Survey	2,156	102	145	2,403
189	DNR – Water Resources	5,699	574	—	6,273
190	DNR – Water Rights	3,665	1	332	3,998
188	DNR – Utah Energy Office	3,923	1,667	9	5,599
	Total Natural Resources	$ 50,625	$ 11,596	$ 4,830	$ 67,051
	Intrafund Eliminations				
	Net Natural Resources				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 5,377	$ —	$ —	$ —	164
99	—	—	—	165
35	—	—	—	166
611	—	—	—	167
239	—	—	—	168
7,476	—	—	—	160
15	—	—	—	161
52	—	—	—	162
128	—	—	—	163
6,751	—	—	—	157
25	—	—	—	158
166	—	—	—	159
21,005	—	—	—	172
65	—	—	—	173
323	—	—	—	174
17,649	—	—	—	169
51	—	—	—	170
379	—	—	—	171
350,685	$ 0	$ 0	$ 305	
(268,906)				
(77,306)				
$ 4,473				
$ 1,136	$ 1	$ —	$ —	182
1,345	4	—	—	184
2,019	—	—	—	201
3,872	9	386	158	185
—	40	—	—	—
4,479	35	—	296	186
17,127	—	334	785	191
2,324	—	29	334	200
66	—	—	—	193
416	—	—	—	192
11,227	11	68	784	196
761	—	—	732	202
2,098	—	—	305	187
5,161	1	584	527	189
3,998	—	—	—	190
5,507	1	85	6	188
61,536	$ 102	$ 1,486	$ 3,927	
(758)				
$ 60,778				

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding			
		State Funds	Federal Funds	Restricted and Other Funds	Budget as Appropriated and Amended
BUSINESS, LABOR & AGRICULTURE					
67	AGR – Building Maintenance	$ 150	$ —	$ —	$ 150
37	AGR – Brand Inspection	570	—	—	570
38	AGR – Predatory Animal Control	729	—	—	729
35	Department of Agriculture	3,511	571	279	4,361
36	AGR – Marketing & Development	956	10	53	1,019
39	AGR – T.B. and Bangs	10	—	—	10
40	AGR – Auction Market Veterinarian	1	—	44	45
—	AGR – Insect Infestation	561	11	18	590
43	AGR – Grain Inspection	40	—	252	292
44	AGR – Pesticide	—	117	—	117
41	AGR – Sheep Promotion	50	—	—	50
42	AGR – Soil Conservation Commission	61	—	—	61
45	AGR – Non Point Pollution	105	—	205	310
54	Industrial Commission	2,274	1,160	153	3,587
64	IC – Building Maintenance	100	—	—	100
49	DBR – Recreation Vehicle Standards	213	—	—	213
50	DBR – Real Estate Education	92	—	2	94
58	DBR – Division of Public Utilities	1,409	47	1,858	3,314
48	Department of Business Regulation	3,875	—	348	4,223
59	DBR/DPU – Professional Services	269	—	—	269
60	DBR – Committee on Consumer Services	315	—	—	315
61	DBR/CCS – Professional Services	216	—	—	216
62	DBR – Building Maintenance	143	—	—	143
53	Financial Institutions	1,568	—	—	1,568
63	FI – Building Maintenance	30	—	—	30
—	FI – Thrifts	146	—	(33)	113
65	ID – Building Maintenance	45	—	—	45
56	ID – Newsletter	4	—	21	25
55	Insurance Department	1,752	—	—	1,752
57	Public Service Commission	959	—	22	981
66	PSC – Building Maintenance	24	—	—	24
—	PSC – Research & Analysis	30	—	49	79
—	PSC – Hearing Impaired	76	—	231	307
—	PSC – Life Line Account	5	—	5	10
	Total Business, Labor & Agriculture	$ 20,289	$ 1,916	$ 3,507	$ 25,712
	Intrafund Eliminations				
	Net Business, Labor & Agriculture				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 150	$ —	$ —	$ —	67
568	—	2	—	37
630	—	99	—	38
4,344	17	—	—	35
932	—	6	81	36
2	—	8	—	39
44	—	—	1	40
213	—	—	377	—
281	—	—	11	43
117	—	—	—	44
40	—	10	—	41
61	—	—	—	42
310	—	—	—	45
3,453	3	—	131	54
100	—	—	—	64
206	—	7	—	49
92	—	2	—	50
2,621	—	—	693	58
4,107	90	—	26	48
158	—	—	111	59
312	3	—	—	60
204	—	—	12	61
143	—	—	—	62
1,389	—	179	—	53
30	—	—	—	63
113	—	—	—	—
45	—	—	—	65
19	—	—	6	56
1,739	13	—	—	55
908	73	—	—	57
24	—	—	—	66
71	—	—	8	—
220	—	—	87	—
10	—	—	—	—
23,656	$ 199	$ 313	$ 1,544	
(132)				
$ 23,524				

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – General Fund

Continued

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Budget as Appropriated and Amended
COMMUNITY & ECONOMIC DEVELOPMENT					
72	Community & Economic Development	$ 234	$ —	$ —	$ 234
73	Office of Job Training	571	13,907	—	14,478
77	Indian Affairs Division	103	—	—	103
80	Asian Affairs	43	—	2	45
78	Black Affairs	65	—	2	67
79	Hispanic Affairs	46	—	1	47
75	Economic & Industrial Development	11,712	133	27	11,872
74	Travel Development	3,835	—	146	3,981
81	Expositions	311	—	1,500	1,811
82	State History	1,105	504	137	1,746
83	Fine Arts	2,603	464	133	3,200
—	90th Anniversary/State Museum	—	—	53	53
—	Percent for the Arts	49	—	48	97
84	State Library Division	2,024	1,158	850	4,032
—	Library Revolving Fund	20	—	290	310
85	Community Development	1,816	6,371	6	8,193
86	Community Impact Grants	11,866	229	—	12,095
—	Flood Relief	3,694	—	—	3,694
	Total Community & Economic Development	$ 40,097	$ 22,766	$ 3,195	$ 66,058
	Intrafund Eliminations				
	Net Community & Economic Development				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 184	$ —	$ —	$ 50	72
14,478	—	—	—	73
101	—	—	2	77
27	—	—	18	80
67	—	—	—	78
44	—	—	3	79
8,649	—	—	3,223	75
3,559	—	—	422	74
1,809	—	—	2	81
1,746	—	—	—	82
2,200	—	—	1,000	83
53	—	—	—	—
71	—	—	26	—
4,029	1	—	2	84
294	—	—	16	—
8,191	—	2	—	85
12,092	—	3	—	86
710	—	—	2,984	—
58,304	$ 1	$ 5	$ 7,748	
(303)				
$ 58,001				

SPECIAL REVENUE FUNDS

The Special Revenue Funds are maintained to account for specific revenues that are earmarked to finance specific functions of government.

Uniform School Fund - This fund is maintained to account for revenues and expenditures of the State Office of Education which supports public elementary and secondary schools. Revenues are derived from individual and corporate income taxes and school lunch tax on alcoholic beverages. Appropriations from the General Fund cover any expenditures in excess of revenues.

Transportation Fund - This fund is maintained to account for revenues and expenditures associated with highway construction and maintenance. Funding is provided from dedicated highway user taxes and fees, as well as various federal highway administration funds. Federal funds accruing to the Transportation Fund are received on a reimbursement basis after costs have been incurred.

The spectacular scenery and color of southern Utah are unmatched anywhere.

STATE OF UTAH

Combining Balance Sheet
Special Revenue Funds

June 30, 1989 *(Expressed in Thousands)*

	Uniform School Fund	Transportation Fund	Total June 30, 1989
Assets			
Cash and Cash Equivalents	$ 67,158	$ 13,257	$ 80,415
Receivables:			
Accounts	17,656	49,639	67,295
Notes	1,700	—	1,700
Unbilled	—	10,064	10,064
Due From Other Funds	1,905	4,364	6,269
Inventories	353	11,276	11,629
Total Assets	$ 88,772	$ 88,600	$ 177,372
Liabilities and Fund Balances			
Liabilities:			
Vouchers Payable	$ 23,297	$ 32,792	$ 56,089
Accrued Liabilities	13,966	2,986	16,952
Due to Other Funds	1,067	13,873	14,940
Deferred Revenue	191	10,064	10,255
Total Liabilities	38,521	59,715	98,236
Fund Balances:			
Reserved:			
Reserved by State Law	13,482	15,389	28,871
Reserved for School Building Loans	1,700	—	1,700
Total Reserved	15,182	15,389	30,571
Unreserved	35,069	13,496	48,565
Total Fund Balances	50,251	28,885	79,136
Total Liabilities and Fund Balances	$ 88,772	$ 88,600	$ 177,372

STATE OF UTAH

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Uniform School Fund	Transportation Fund	Total June 30, 1989
Revenues:			
Unrestricted:			
Individual Income Tax	$ 636,514	$ —	$ 636,514
Corporate Franchise Tax	95,793	—	95,793
Motor and Special Fuel Tax	—	160,525	160,525
Licenses, Fees and Permits	—	36,805	36,805
Interest on Investments	3,110	—	3,110
Miscellaneous Taxes and Other	13,748	—	13,748
Total Unrestricted	749,165	197,330	946,495
Restricted:			
Federal Contracts and Grants	99,919	211,270	311,189
Departmental Collections	3,756	5,218	8,974
Aeronautics	—	18,086	18,086
Miscellaneous	10,544	—	10,544
Total Restricted	114,219	234,574	348,793
Total Revenues	863,384	431,904	1,295,288
Expenditures:			
Public Education	823,576	—	823,576
Transportation	—	395,889	395,889
Total Expenditures	823,576	395,889	1,219,465
Excess of Revenue Over Expenditures	39,808	36,015	75,823
Other Financing Sources (Uses):			
Operating Transfers In	8,055	17,793	25,848
Operating Transfers Out	(12,021)	(38,639)	(50,660)
Total Other Financing Sources (Uses)	(3,966)	(20,846)	(24,812)
Excess Revenues and Other Sources Over Expenditures and Other Uses	35,842	15,169	51,011
Beginning Fund Balance	14,409	15,935	30,344
Residual Equity Transfers	—	(2,219)	(2,219)
Ending Fund Balance	$ 50,251	$ 28,885	$ 79,136

STATE OF UTAH

Schedule of Revenues – Budget and Actual – Uniform School Fund – Detail by Source

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted:			
Individual Income Tax	$ 628,000	$ 636,514	$ 8,514
Corporate Franchise Tax	71,000	95,793	24,793
Local School Districts	9,392	10,829	1,437
Interest on Investments	2,300	3,110	810
Miscellaneous Taxes	1,808	2,919	1,111
Total Unrestricted Revenues	712,500	749,165	36,665
Restricted:			
Federal Contracts and Grants	99,919	99,919	0
Departmental Collections	7,643	7,643	0
Miscellaneous:			
School Lunch Tax	8,121	8,121	0
Drivers Education Tax	2,260	2,260	0
Other	1,521	1,647	126
Total Restricted Revenues	119,464	119,590	126
Total Uniform School Fund Revenues	$ 831,964	868,755	$ 36,791
Intrafund Eliminations		(5,371)	
Net Uniform School Fund Revenues – GAAP Basis		$ 863,384	

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – Uniform School Fund

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Line Item #	Appropriation Line Item Description	Source of Funding: State Funds	Source of Funding: Federal Funds	Source of Funding: Restricted and Other Funds	Budget as Appropriated and Amended
PUBLIC EDUCATION					
—	Indirect Cost Pool	$ —	$ —	$ (11)	$ (11)
207	Institutional Education	4,185	—	412	4,597
208	Custom Fit Training	2,890	—	—	2,890
206	Child Nutrition	269	31,783	8,181	40,233
205	Rehabilitation Services	4,419	15,797	46	20,262
211	Bd. of Ed. – Utah Symphony	406	—	—	406
212	Bd. of Ed. – Ballet West	146	—	—	146
214	Bd. of Ed. – Utah Opera Company	62	—	—	62
213	Bd. of Ed. – Hansen Planetarium	142	—	—	142
—	Bd. of Ed. – Commodities	—	8,591	—	8,591
—	Combined Area Vocational Centers	—	918	7,609	8,527
209	Area Vocational & Skill Centers	10,057	—	—	10,057
—	Minimum School Program	677,608	—	—	677,608
203	Board of Education	13,284	42,830	3,393	59,507
210	Schools for the Deaf and Blind	7,409	—	4	7,413
	Total Public Education	$ 720,877	$ 99,919	$ 19,634	$ 840,430
	Intrafund Eliminations				
	Net Public Education				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ (11)	$ —	$ —	$ —	—
4,243	—	—	354	207
739	—	—	2,151	208
40,105	—	—	128	206
20,173	—	—	89	205
406	—	—	—	211
146	—	—	—	212
62	—	—	—	214
142	—	—	—	213
8,591	—	—	—	—
8,356	—	171	—	—
10,057	—	—	—	209
672,852	—	—	4,756	—
55,790	—	5	3,712	203
7,296	—	—	117	210
828,947	$ 0	$ 176	$ 11,307	
(5,371)				
$ 823,576				

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STATE OF UTAH

Schedule of Revenues – Budget and Actual – Transportation Fund – Detail by Source

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted:			
Motor Fuel Tax	$ 130,300	$ 131,220	$ 920
Special Fuel Tax	28,000	29,305	1,305
Licenses, Fees and Permits:			
Motor Vehicle Registration Fees	18,637	17,419	(1,218)
Proportional Registration Fees	4,163	4,346	183
Temporary Permits	1,049	938	(111)
Special Transportation Permits	2,737	3,200	463
Highway Use Permits	2,148	2,514	366
Drivers License	4,562	5,480	918
Motor Vehicle Control Fees	1,044	962	(82)
Miscellaneous	1,861	1,946	85
Total Unrestricted Revenues	194,501	197,330	2,829
Restricted:			
Federal Contracts and Grants	211,270	211,270	0
Departmental Collections	5,246	5,331	85
Aeronautics Fund	16,974	18,086	1,112
Total Restricted Revenues	233,490	234,687	1,197
Total Transportation Fund Revenues	$ 427,991	432,017	$ 4,026
Intrafund Eliminations		(113)	
Net Transportation Fund Revenues – GAAP Basis		$ 431,904	

STATE OF UTAH

Schedule of Expenditures – Detail – Budget and Actual – Transportation Fund

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Line Item #	Appropriation Line Item Description	Source of Funding			Budget as Appropriated and Amended
		State Funds	Federal Funds	Restricted and Other Funds	
DEPARTMENT OF TRANSPORTATION					
245	Support Services	$ 7,349	$ 1	$ 745	$ 8,095
246	Engineering Services	22,116	—	7,545	29,661
250	Maintenance Management	54,713	—	725	55,438
247	Construction Management	3,622	—	12,841	16,463
248	District Management	7,142	—	2,194	9,336
249	Equipment Management	836	—	—	836
256	Sidewalk Construction	1,338	—	—	1,338
252	B & C Roads	41,548	—	—	41,548
254	Federal Construction	6,673	211,269	(19,798)	198,144
255	State Construction	12,142	—	531	12,673
253	Highway Rehabilitation	21,900	—	—	21,900
—	Non-Appropriated	—	—	463	463
251	Aeronautics	6,593	—	11,110	17,703
	Total Transportation	$ 185,972	$ 211,270	$ 16,356	$ 413,598
	Intrafund Eliminations				
	Net Transportation				

Actual Expenditures	Lapse to Unrestricted	Lapse to Restricted and Other	Non-Lapse or (Deficit) Carryforward	Line Item #
$ 7,996	$ 99	$ —	$ —	245
20,558	334	—	8,769	246
53,321	2,117	—	—	250
16,227	236	—	—	247
9,113	223	—	—	248
644	—	—	192	249
363	—	—	975	256
41,375	173	—	—	252
197,864	280	—	—	254
9,177	—	—	3,496	255
21,900	—	—	—	253
(182)	645	—	—	—
17,646	—	57	—	251
396,002	$ 4,107	$ 57	$ 13,432	
(113)				
$ 395,889				

ENTERPRISE FUNDS

The Enterprise Funds are used to account for the operations of State agencies that provide goods and services to the general public and finance their operations through user charges. The State's enterprise operations are described below.

Housing Finance Agency - Created by the legislature in 1975, the purpose of this agency is to provide an alternate source of funding for home mortgages, particularly for lower income families. The agency is funded entirely through the issuance of bonds which are repaid from the interest and principal payments made on mortgages.

Student Assistance Programs Created by the legislature in 1977, the Student Assistance Programs are comprised of the Utah Higher Education Assistance Authority and the State Board of Regents' Student Loan Purchase Programs. The purpose of the programs are to guarantee the repayment of student loans made by participating lenders to eligible student borrowers and to make loans to, and purchase the loans of, qualified students attending eligible institutions of higher education. Funds are acquired from bonds, lines-of-credit, variable rate demand notes, and financing agreements with the Student Loan Marketing Association.

Workers' Compensation - The Workers' Compensation Fund is a State operated, non-profit workers' compensation insurance company. It was established by the legislature in 1917 to provide workers' compensation insurance to Utah employers at the lowest possible cost, while maintaining an actuarially sound insurance operation. The fund insures approximately 21,000 private business and governmental entities, and processes nearly 40,000 claims each year. The fund is owned by the policyholders, and all funding comes from the premiums paid by them for the insurance.

Alcoholic Beverage Control - The Alcoholic Beverage Control Commission was established by the legislature in 1935. The Commission's purpose is to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. The net profit from the Fund is transferred to the State's General Fund and is used for general government purposes.

Technology Finance Corporation The Corporation was authorized by the Utah Technology and Innovation Act and was incorporated as a non-profit corporation in 1983. The purpose of the Corporation is to encourage and assist in the development, promotion and growth of technological and innovative emerging and developing small businesses throughout the State of Utah. Funding is by grants, earnings from other sources, and from State General Fund appropriations.

Utah Correctional Industries - Utah Correctional Industries (UCI) was established to provide employment for prisoners of the Utah State Prison. UCI manufactures and sells such items as license plates, furniture, highway signs, printing services, dairy and meat products, and other miscellaneous products and services. Funding comes from charges for it's products and services.

Blind Industries - The Blind Industries is a sheltered workshop that provides employment, evaluation, and training for adults who are blind or visually impaired. Financing is provided through the sale of products and from State appropriations.

Professional sports in Utah include Utah Jazz basketball and Golden Eagles hockey.

STATE OF UTAH

Combining Balance Sheet
Enterprise Funds

June 30, 1989 *(Expressed in Thousands)*

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1989
Assets								
Current Assets:								
Cash and Cash Equivalents	$ 58	$ 225,317	$ 35,272	$ 80,724	$ —	$ 2,754	$ 1,068	$ 345,193
Receivables:								
Accounts	420	—	15,190	2,342	81	—	201	18,234
Notes	—	11,323	—	—	—	80	—	11,403
Accrued Interest	—	16,633	2,833	3,405	—	—	—	22,871
Due From Other Funds	5	—	—	—	—	—	477	482
Inventories	9,479	—	—	—	470	—	970	10,919
Prepaid Expenses	5	165	49	74	—	6	—	299
Total Current Assets	9,967	253,438	53,344	86,545	551	2,840	2,716	409,401
Other Assets:								
Other Investments	—	113,713	137,661	12,673	—	—	—	264,047
Notes/Mortgages Receivable Due After One Year	—	841,948	—	182,592	—	61	—	1,024,601
Deferred Charges Due After One Year	—	18,666	—	273	—	—	—	18,939
Total Other Assets	0	974,327	137,661	195,538	0	61	0	1,307,587
Fixed Assets:								
Land	1,110	250	625	—	—	—	—	1,985
Buildings and Improvements	4,412	261	3,454	—	—	5	404	8,536
Machinery and Equipment	2,698	199	1,216	—	224	32	1,264	5,633
Accumulated Depreciation	(2,852)	(163)	(1,482)	—	(152)	(26)	(626)	(5,301)
Total Fixed Assets	5,368	547	3,813	0	72	11	1,042	10,853
Total Assets	$ 15,335	$ 1,228,312	$ 194,818	$ 282,083	$ 623	$ 2,912	$ 3,758	$ 1,727,841
Liabilities and Fund Equity								
Liabilities:								
Current Liabilities:								
Vouchers Payable	$ 737	$ 962	$ 745	$ 767	$ 22	$ 52	$ 195	$ 3,480
Accrued Liabilities	648	41,660	363	1,996	31	582	181	45,461
Deposits in Custody Due Within One Year	—	—	16,170	—	—	—	—	16,170
Due to Other Funds	8,254	—	28	—	42	—	28	8,352
Deferred Revenue Due Within One Year	127	—	—	672	—	—	—	799
Policy Claim Liabilities Due Within One Year	—	—	33,122	—	—	—	—	33,122
Notes Payable Due Within One Year	—	—	—	—	—	—	1	1
Revenue Bonds Payable Due Within One Year	—	33,380	—	3,135	—	—	—	36,515
Obligations Under Capital Leases Due Within One Year	78	—	—	—	—	—	6	84
Total Current Liabilities	9,844	76,002	50,428	6,570	95	634	411	143,984
Long-Term Liabilities:								
Deferred Revenue Due After One Year	—	—	—	1,760	—	—	—	1,760
Policy Claim Liabilities Long-Term Portion	—	—	107,260	—	—	—	—	107,260
Notes Payable Due After One Year	—	—	—	—	—	—	13	13
Revenue Bonds Payable Due After One Year	—	1,072,168	—	225,386	—	—	—	1,297,554
Obligations Under Capital Leases Due After One Year	653	—	—	—	—	—	6	659
Total Long-Term Liabilities	653	1,072,168	107,260	227,146	0	0	19	1,407,246
Total Liabilities	10,497	1,148,170	157,688	233,716	95	634	430	1,551,230
Fund Equity:								
Contributed Working Capital	4,838	—	—	—	445	4,275	3,328	12,886
Retained Earnings	—	80,142	37,130	48,367	83	(1,997)	—	163,725
Total Fund Equity	4,838	80,142	37,130	48,367	528	2,278	3,328	176,611
Total Liabilities and Fund Equity	$ 15,335	$ 1,228,312	$ 194,818	$ 282,083	$ 623	$ 2,912	$ 3,758	$ 1,727,841

STATE OF UTAH

Combining Statement of Revenues, Expenses and Changes in Retained Earnings – Enterprise Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1989
Operating Revenues:								
Interest on Investments	$ —	$ 27,557	$ —	$ 5,422	$ —	$ 196	$ —	$ 33,175
Sales:								
Liquor Sales (Net of $12,182 Sales and School Lunch Tax)	64,711	—	—	—	—	—	—	64,711
Permits, Licenses and Fees	389	—	—	—	—	—	—	389
Charges for Services/Premiums	—	—	62,885	1,971	645	—	5,944	71,445
Interest on Mortgages/Notes	—	69,067	—	13,892	—	—	—	82,959
Miscellaneous	—	98	—	5,483	—	14	—	5,595
Total Operating Revenue	65,100	96,722	62,885	26,768	645	210	5,944	258,274
Cost of Goods Sold	40,625	—	—	—	441	—	2,793	43,859
Gross Profit	24,475	96,722	62,885	26,768	204	210	3,151	214,415
Operating Expenses:								
Administration	6,830	4,147	10,507	5,535	360	258	1,666	29,303
Rentals and Leases	693	—	—	—	—	14	—	707
Maintenance	164	—	—	—	9	—	—	173
Interest	51	86,834	—	13,990	—	—	—	100,875
Depreciation	501	25	284	3	15	5	129	962
Benefit Claims	—	—	63,528	—	—	1,058	—	64,586
Supplies and Other Miscellaneous	237	—	—	—	92	31	1,321	1,681
Total Operating Expenses	8,476	91,006	74,319	19,528	476	1,366	3,116	198,287
Total Operating Income (Loss)	15,999	5,716	(11,434)	7,240	(272)	(1,156)	35	16,128
Non-Operating Income (Expenses):								
Interest on Investments	—	—	13,466	—	—	—	—	13,466
(Loss) on Sale of Fixed Assets	(15)	—	(15)	—	—	—	(8)	(38)
Total Non-Operating Income (Expenses)	(15)	0	13,451	0	0	0	(8)	13,428
Income (Loss) Before Operating Transfers	15,984	5,716	2,017	7,240	(272)	(1,156)	27	29,556
Operating Transfers In	—	—	—	—	530	—	—	530
Operating Transfers Out	(15,984)	—	—	—	—	—	(27)	(16,011)
Net Income (Loss) Before Extraordinary Item	0	5,716	2,017	7,240	258	(1,156)	0	14,075
Extraordinary Item – Loss on Early Extinguishment of Debt	—	—	—	(693)	—	—	—	(693)
Net Income (Loss)	0	5,716	2,017	6,547	258	(1,156)	0	13,382
Beginning Retained Earnings	—	74,426	35,113	41,820	(175)	(841)	—	150,343
Ending Retained Earnings	$ 0	$ 80,142	$ 37,130	$ 48,367	$ 83	$(1,997)	$ 0	$ 163,725

STATE OF UTAH

Combining Statement of Changes in Financial Position Enterprise Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Alcoholic Beverage Control	Housing Finance Agency	Workers' Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Utah Correctional Industries	Total June 30, 1989
Sources of Working Capital:								
Operations:								
Net Income (Loss) Before Extraordinary Item	$ —	$ 5,716	$ 2,017	$ 7,240	$ 258	$(1,156)	$ —	$ 14,075
Items Not Requiring Working Capital:								
Depreciation	501	25	284	3	15	5	129	962
Amortization of Deferred Charges/Revenue	—	1,285	—	(753)	—	—	—	532
Loss on Disposition of Property and Equipment	15	—	15	—	—	—	8	38
Sources From Operations Exclusive of Extraordinary Item	516	7,026	2,316	6,490	273	(1,151)	137	15,607
Extraordinary Item - Loss on Early Extinguishment of Debt	—	—	—	(693)	—	—	—	(693)
Total Sources From Operations	516	7,026	2,316	5,797	273	(1,151)	137	14,914
Increase in Deferred Revenue Due after One Year	—	—	—	691	—	—	—	691
Increase in Policy Claim Liabilities	—	—	16,378	—	—	—	—	16,378
Additions to Long-Term Debt	166	183,423	—	207,713	—	—	—	391,302
Increase in Contributed Working Capital (Net of $42 accumulated depreciation transferred in)	437	—	—	—	32	1,500	—	1,969
Decrease in Other Investments	—	—	10,224	—	—	—	—	10,224
Decrease in Mortgages/Notes Receivable	—	57,720	—	—	—	—	—	57,720
Total Sources of Working Capital	1,119	248,169	28,918	214,201	305	349	137	493,198
Uses of Working Capital:								
Increase in Other Investments	—	7,021	—	6,067	—	—	—	13,088
Increase in Mortgages/Notes Receivable	—	217,399	—	13,030	—	30	—	230,459
Acquisition of Property and Equipment (Net of $42 accumulated depreciation transferred in)	629	74	2,370	—	32	7	261	3,373
Increase in Deferred Charges	—	3,982	—	251	—	—	—	4,233
Decrease in Notes Payable	—	—	—	134,383	—	—	20	134,403
Payments on Long-Term Debt	—	42,812	—	2,909	—	—	—	45,721
Decrease in Contributed Working Capital	516	—	—	—	—	—	74	590
Total Uses of Working Capital	1,145	271,288	2,370	156,640	32	37	355	431,867
Net Increase (Decrease) in Working Capital	$ (26)	$ (23,119)	$ 26,548	$ 57,561	$ 273	$ 312	$(218)	$ 61,331
Elements of Net Increase (Decrease) in Working Capital:								
Cash and Cash Equivalents	$ 1	$ (26,105)	$ 26,939	$ 49,344	$ —	$ 349	$ 47	$ 50,575
Accounts Receivable/Due From Other Funds	(8)	(11)	2,267	(363)	(39)	—	(281)	1,565
Notes Receivable Current Portion	—	1,662	—	—	—	60	—	1,722
Accrued Interest	—	1,297	(820)	151	—	—	—	628
Inventories	(1,060)	—	—	—	(15)	—	(99)	(1,174)
Prepaid Expenses	(23)	50	49	64	—	—	—	140
Vouchers Payable/Accrued Liabilities Due to Other Funds	1,099	(5,412)	(62)	1,355	327	(97)	121	(2,669)
Deposits in Custody Current Portion	—	—	128	—	—	—	—	128
Deferred Revenue	(9)	—	—	28	—	—	—	19
Current Portion of Long-Term Obligations	(26)	5,400	(1,953)	6,982	—	—	(6)	10,397
Net Increase (Decrease) in Working Capital	$ (26)	$ (23,119)	$ 26,548	$ 57,561	$ 273	$ 312	$(218)	$ 61,331

INTERNAL SERVICE FUNDS

The Internal Service Funds are maintained to account for the operation of State agencies which provide goods or services to other State agencies and governmental units on a cost reimbursement basis. The following provides a brief description of operations included in these funds.

Water Resources Loan Fund, a division of the Department of Natural Resources - This agency provides loans to local governments, water districts and other entities for the purpose of upgrading water storage facilities and other related structures. Capital for this fund has been provided from the general fund or from General Obligation Bonds that are repaid from general tax revenues and are not debt obligations of the Water Resources Fund.

Data Processing Fund - This fund is composed of several data processing agencies that provide data processing service to State agencies.

Employees Group Insurance - The group insurance fund offers several alternative health insurance programs to State and local government employees. The alternatives include plans operated entirely by the State, as well as plans offered by private insurance carriers.

Community Impact Loan Fund, a division of the Department of Community and Economic Development - This fund provides loans to local governments to alleviate social, economic, and public financial impacts resulting from the development of the State's natural resources. Working capital for this fund is provided from federal mineral lease funds transferred from the general fund.

Central Services Fund, a division of the Department of Administrative Services - This division is responsible for providing an office supply store, automobile rental services, statewide printing services, and mail services to State agencies.

Surplus Property, a division of the Department of Administrative Services - This division provides for orderly redistribution and sale of all the State's surplus property. The division also administers the receipt and distribution of Federal surplus property.

Social Services/Internal Service - This service program covers rent, utility payments, personal services, and maintenance and janitorial services for facilities housing the Department of Social Services.

Communications, a division of the Department of Administrative Services - This division is responsible for providing voice and data communications services to most State agencies.

Prison Service Revolving Fund - This fund was originally created as an internal service fund designed to provide employment opportunities and training to prisoners at the Utah State Prison. In fiscal 1986, the State Legislature reclassified the fund to an enterprise fund. (See Enterprise Funds.)

Office of Education / Office of Superintendent - The agency provides various support services to the Board of Education. These services include distribution of publications, mail services, and a central office supply room.

Natural Resources - This fund operates the department motor pool and central warehouse services. The fund also owns and operates seven gas stations located throughout the State at facilities managed by the Division of Wildlife Resources.

Administrative Services Risk Management, a division of the Department of Administrative Services - This agency provides insurance coverage and loss prevention to all State agencies and institutions of higher education, and to voluntarily participating school districts. Coverage is provided using an optimal combination of self-insurance and private excess insurance.

Property Management - This agency has statutory responsibility for the operation and maintenance of the facilities used by most State agencies.

Transportation Fund / Internal Service - This fund is responsible for the acquisition and maintenance of heavy road construction equipment and materials and road base testing laboratories used by the Department of Transportation.

Utahns have long known of the State's excellent winter sports opportunities. Now, the world is beginning to discover "the greatest snow on earth" and in June of 1989 Utah was selected as "America's choice to host the 1998 Winter Olympic Games."

STATE OF UTAH

Combining Balance Sheet
Internal Service Funds

June 30, 1989 *(Expressed in Thousands)*

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 18,485	$ 4,490	$ 14,903	$ 26,613	$ 613	$ 6
Accounts Receivable	2,796	338	2,455	—	136	82
Notes Receivable	5,300	—	—	3,076	—	—
Accrued interest	3,975	—	206	1,045	—	—
Due From Other Funds	50	2,915	—	—	1,076	24
Inventories	—	149	—	—	710	—
Prepaid Expenses	—	311	—	—	—	—
Total Current Assets	30,606	8,203	17,564	30,734	2,535	112
Other Assets:						
Other Investments	—	—	5,224	—	—	—
Long-Term Portion of Notes Receivable	114,304	—	—	67,302	—	—
Total Other Assets	114,304	0	5,224	67,302	0	0
Fixed Assets:						
Buildings and Improvements	—	1,354	—	—	—	265
Machinery and Equipment	—	31,079	924	—	12,050	231
Accumulated Depreciation	—	(21,283)	(396)	—	(4,543)	(293)
Total Fixed Assets	0	11,150	528	0	7,507	203
Total Assets	$ 144,910	$ 19,353	$ 23,316	$ 98,036	$ 10,042	$ 315
Liabilities and Fund Equity						
Liabilities:						
Current Liabilities:						
Vouchers Payable	$ 165	$ 4,288	$ 586	$ —	$ 371	$ 45
Accrued Liabilities	—	1,522	—	—	218	21
Due to Other Funds	—	1,083	—	—	4,488	232
Deferred Revenue	—	1	78	—	—	—
Policy Claim Liabilities Due Within One Year	—	—	17,977	—	—	—
Notes Payable Due Within One Year	—	—	—	—	—	26
Total Current Liabilities	165	6,894	18,641	0	5,077	324
Long-Term Liabilities:						
Advance From Other Funds	—	4,114	—	—	973	—
Policy Claim Liabilities Long-Term Portion	—	—	—	—	—	—
Notes Payable Due After One Year	—	—	—	—	—	27
Total Long-Term Liabilities	0	4,114	0	0	973	27
Total Liabilities	165	11,008	18,641	0	6,050	351
Fund Equity:						
Contributed Working Capital	127,208	8,035	—	78,341	1,443	83
Retained Earnings	17,537	310	4,675	19,695	2,549	(119)
Total Fund Equity	144,745	8,345	4,675	98,036	3,992	(36)
Total Liabilities and Fund Equity	$ 144,910	$ 19,353	$ 23,316	$ 98,036	$ 10,042	$ 315

Communications	Social Services/ Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Transportation/ Internal Service	Total June 30, 1989
$ —	$ 194	$ —	$ —	$ 1,286	$ 14,971	$ 526	$ 7,578	$ 89,665
320	—	—	6	4	195	74	—	6,406
—	—	—	—	—	—	—	—	8,376
—	—	—	—	—	—	—	—	5,226
848	751	—	262	475	42	313	1,530	8,286
422	40	—	33	223	—	—	—	1,577
—	1	—	9	—	—	—	—	321
1,590	986	0	310	1,988	15,208	913	9,108	119,857
—	—	—	—	—	—	—	—	5,224
—	—	—	—	—	—	—	—	181,606
0	0	0	0	0	0	0	0	186,830
—	4,015	—	—	—	—	—	—	5,634
9,995	299	—	160	6,471	16	252	62,042	123,519
(2,873)	(585)	—	(74)	(2,127)	(3)	(117)	(33,440)	(65,734)
7,122	3,729	0	86	4,344	13	135	28,602	63,419
$ 8,712	$ 4,715	$ 0	$ 396	$ 6,332	$ 15,221	$ 1,048	$ 37,710	$ 370,106
$ 528	$ 169	$ —	$ 37	$ 135	$ 720	$ 423	$ 252	$ 7,719
113	128	—	26	22	29	181	771	3,031
3,338	421	—	110	156	164	133	4,215	14,340
—	—	—	—	—	2	—	—	81
—	—	—	—	—	6,753	—	—	24,730
—	—	—	—	—	—	—	—	26
3,979	718	0	173	313	7,668	737	5,238	49,927
3,677	—	3,814	—	—	—	—	—	12,578
—	—	—	—	—	12,258	—	—	12,258
—	—	—	—	—	—	—	—	27
3,677	0	3,814	0	0	12,258	0	0	24,863
7,656	718	3,814	173	313	19,926	737	5,238	74,790
1,181	3,632	—	18	5,112	41	145	33,329	258,568
(125)	365	(3,814)	205	907	(4,746)	166	(857)	36,748
1,056	3,997	(3,814)	223	6,019	(4,705)	311	32,472	295,316
$ 8,712	$ 4,715	$ 0	$ 396	$ 6,332	$ 15,221	$ 1,048	$ 37,710	$ 370,106

STATE OF UTAH

Combining Statement of Revenues, Expenses and Changes in Retained Earnings Internal Service Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Operating Revenues:						
Interest on Investments	$ 3,352	$ —	$ 1,973	$ 3,541	$ —	$ —
Charges for Services/Premiums	47	26,672	70,497	—	11,304	609
Total Operating Revenues	3,399	26,672	72,470	3,541	11,304	609
Operating Expenses:						
Personnel Services	—	10,763	1,564	—	1,946	402
Materials and Communication	—	966	34	—	5,046	14
Rentals and Leases	—	180	164	—	50	—
Maintenance	—	189	—	—	981	28
Interest	—	1	—	—	—	2
Depreciation	—	6,049	169	—	1,997	39
Benefit Claims	—	—	67,635	—	—	—
Miscellaneous Other:						
Data Processing	—	7,263	133	—	126	3
Postage and Mailing	—	8	214	—	15	5
Office Supplies	—	124	291	—	63	11
Utilities	—	220	—	—	—	17
Unclassified Other	3	1,786	777	19	1,193	78
Total Operating Expenses	3	27,549	70,981	19	11,417	599
Total Operating Income (Loss)	3,396	(877)	1,489	3,522	(113)	10
Non-Operating Income (Expenses):						
Gain (Loss) on Sale of Fixed Assets	—	(159)	5	—	28	—
Income (Loss) Before Operating Transfers	3,396	(1,036)	1,494	3,522	(85)	10
Operating Transfers In	—	241	—	—	—	—
Operating Transfers Out	(495)	—	—	(292)	—	—
Net Income (Loss) After Operating Transfers	2,901	(795)	1,494	3,230	(85)	10
Beginning Retained Earnings	14,636	1,105	3,181	16,465	2,634	(129)
Ending Retained Earnings	$ 17,537	$ 310	$ 4,675	$ 19,695	$ 2,549	$ (119)

Communi-cations	Social Services/ Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Trans-portation/ Internal Service	Total June 30, 1989
$ —	$ —	$ —	$ —	$ —	$ 1,398	$ —	$ —	$ 10,264
7,632	3,265	—	855	2,548	11,256	7,061	14,667	156,413
7,632	3,265	0	855	2,548	12,654	7 061	14,667	166,677
1,014	1,084	—	213	115	233	1,158	5,814	24,306
5,059	102	—	367	578	5	30	43	12,244
13	1,134	—	27	7	50	999	315	2,939
15	294	—	14	1,098	2	1,118	4,218	7,957
1	—	—	—	—	—	3	—	7
1,532	117	—	23	729	3	39	4,350	15,047
—	—	—	—	—	7,236	—	—	74,871
248	17	—	—	5	23	22	35	7,875
2	—	—	—	2	2	1	—	249
23	16	—	188	1	13	12	38	780
—	385	—	9	1	—	2,232	155	3,019
159	600	—	61	107	30,040	1,700	765	37,288
8,066	3,749	0	902	2,643	37,607	7,314	15,733	186,582
(434)	(484)	0	(47)	(95)	(24,953)	(253)	(1,066)	(19,905)
(185)	—	—	—	—	—	—	(16)	(327)
(619)	(484)	0	(47)	(95)	(24,953)	(253)	(1,082)	(20,232)
—	—	100	—	—	25,000	—	—	25,341
—	—	—	—	—	—	—	—	(787)
(619)	(484)	100	(47)	(95)	47	(253)	(1,082)	4,322
494	849	(3,914)	252	1,002	(4,793)	419	225	32,426
$ (125)	$ 365	$ (3,814)	$ 205	$ 907	$ (4,746)	$ 166	$ (857)	$ 36,748

STATE OF UTAH

Combining Statement of Changes in Financial Position
Internal Service Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Services Fund	Surplus Property
Sources of Working Capital:						
Operations:						
Net Income	$ 2,901	$ (795)	$ 1,494	$ 3,230	$ (85)	$ 10
Items Not Requiring Working Capital:						
Depreciation	—	6,049	169	—	1,997	39
Loss (Gain) on Disposition of Property and Equipment	—	159	(5)	—	(28)	—
Total Sources from Operations	2,901	5,413	1,658	3,230	1,884	49
Increase in Policy Claim Liabilities	—	—	2,445	—	—	—
Increase in Contributed Working Capital	4,810	1,543	—	7,704	265	8
Decrease in Other Investments	—	—	104	—	—	—
Proceeds on Disposal of Property and Equipment	—	627	5	—	570	—
Total Sources of Working Capital	7,711	7,583	4,212	10,934	2,719	57
Uses of Working Capital:						
Increase in Mortgages/Notes Receivable	6,496	—	—	1,612	—	—
Acquisition of Property and Equipment	—	3,682	124	—	1,637	5
Payments on Long-Term Debt	—	—	—	—	—	14
Total Uses of Working Capital	6,496	3,682	124	1,612	1,637	19
Net Increase (Decrease) in Working Capital	$ 1,215	$ 3,901	$ 4,088	$ 9,322	$ 1,082	$ 38
Elements of Net Increase (Decrease) in Working Capital:						
Cash and Cash Equivalents	$ 1,637	$ 2,211	$ 3,665	$ 7,830	$ 277	$ 6
Accounts Receivable/Due From Other Funds	(566)	51	521	—	(393)	(50)
Notes Receivable Current Portion	(471)	—	—	1,231	—	—
Accrued Interest	765	—	16	261	—	—
Inventories	—	—	—	—	(37)	—
Prepaid Expenses	—	181	—	—	—	—
Vouchers Payable/Accrued Liabilities/Due to Other Funds	(150)	1,464	24	—	1,235	88
Policy Claim Liability	—	—	—	—	—	—
Deferred Revenue	—	(6)	(78)	—	—	—
Current Portion of Long-Term Obligations	—	—	—	—	—	(6)
Net Increase (Decrease) in Working Capital	$ 1,215	$ 3,901	$ 4,088	$ 9,322	$ 1,082	$ 38

Communi- cations	Social Services/ Internal Service	Prison Service Revolving Fund	Office of Education/ Internal Service	Natural Resources/ Internal Service	Administrative Services/Risk Management	Property Management	Trans- portation/ Internal Service	Total June 30, 1989
$ (619)	$ (484)	$ 100	$ (47)	$ (95)	$ 47	$ (253)	$ (1,082)	$ 4,322
1,532	117	—	23	729	3	39	4,350	15,047
185	—	—	—	—	—	—	16	327
1,098	(367)	100	(24)	634	50	(214)	3,284	19,696
—	—	—	—	—	7,181	—	—	9,626
59	40	—	10	233	38	52	1,235	15,997
—	—	—	—	—	—	—	—	104
287	55	—	13	186	—	15	127	1,885
1,444	(272)	100	(1)	1,053	7,269	(147)	4,646	47,308
—	—	—	—	—	—	—	—	8,108
3,446	4	—	22	953	1	58	5,173	15,105
—	—	—	—	—	—	—	—	14
3,446	4	0	22	953	1	58	5,173	23,227
$ (2,002)	$ (276)	$ 100	$ (23)	$ 100	$ 7,268	$ (205)	$ (527)	$ 24,081
$ —	$ (386)	$ —	$ (38)	$ (24)	$ 6,742	$ (109)	$ 2,436	$ 24,187
(136)	544	—	132	155	(328)	(33)	1,358	1,255
—	—	—	—	—	—	—	—	760
—	—	—	—	—	—	—	—	1,042
289	12	—	(5)	91	—	(33)	—	317
—	(1)	—	(5)	—	—	—	—	175
(2,155)	(445)	100	(107)	(122)	36	(30)	(4,321)	(4,383)
—	—	—	—	—	820	—	—	820
—	—	—	—	—	(2)	—	—	(86)
—	—	—	—	—	—	—	—	(6)
$ (2,002)	$ (276)	$ 100	$ (23)	$ 100	$ 7,268	$ (205)	$ (527)	$ 24,081

TRUST AND AGENCY FUNDS

Trust and Agency Funds are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as trustee or agent.

Utah's mountain vistas are a stark contrast to its desert grandeur.

STATE OF UTAH

Combining Balance Sheet
Trust and Agency Funds

June 30, 1989 *(Expressed in Thousands)*

	Pension Trust Funds	Non-Expendable Trust Fund			
	State Retirement Systems	**Land Board**	**Expendable Trust Funds**	**Agency Funds**	**Total June 30, 1989**
Assets					
Cash and Cash Equivalents	$ 340,538	$ 16,223	$ 226,971	$ 583,633	$ 1,167,365
Other Investments	2,790,602	14,139	7,520	110,631	2,922,892
Receivables:					
Accounts	45,959	1,158	3,709	31	50,857
Accrued Interest	—	—	577	10,307	10,884
Due From Other Funds	—	1,094	2,374	11,759	15,227
Land	1,593	4,345	—	—	5,938
Buildings and Improvements	2,707	—	—	—	2,707
Machinery and Equipment	3,535	—	—	—	3,535
Accumulated Depreciation	(2,778)	—	—	—	(2,778)
Total Assets	$ 3,182,156	$ 36,959	$ 241,151	$ 716,361	$ 4,176,627
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 19,693	$ —	$ 2,520	$ —	$ 22,213
Deposits Held in Custody	—	—	144	—	144
Due to Other Funds	—	623	4,011	—	4,634
Due to Other Individuals or Groups	—	—	—	102,120	102,120
Due to Other Taxing Units	—	—	—	614,241	614,241
Deferred Revenue	—	—	168	—	168
Policy Claim Liabilities	—	—	88,284	—	88,284
Total Liabilities	19,693	623	95,127	716,361	831,804
Fund Balances:					
Reserved Fund Balances	—	36,336	226,347	—	262,683
Reserved for Employees' Retirement System	3,162,463	—	—	—	3,162,463
Unreserved Undesignated	—	—	(80,323)	—	(80,323)
Total Fund Balances	3,162,463	36,336	146,024	0	3,344,823
Total Liabilities and Fund Balances	$ 3,182,156	$ 36,959	$ 241,151	$ 716,361	$ 4,176,627

STATE OF UTAH

Combining Balance Sheet
Pension Trust Funds

June 30, 1989 *(Expressed in Thousands)*

	Pension Funds			
	Contributory System	Non-Contributory System	Public Safety System	Fire-fighters' System
Assets				
Cash and Cash Equivalents	$ 4	$ 2	$ 9	$ 2
Other Investments	—	—	—	—
Receivables:				
Accounts	3,595	6,751	1,002	390
Land	—	—	—	—
Buildings and Improvements	—	—	—	—
Machinery and Equipment	—	—	—	—
Accumulated Depreciation	—	—	—	—
Equity in Investment Fund	878,579	1,771,230	286,249	131,783
Total Assets	882,178	1,777,983	287,260	132,175
Liabilities				
Vouchers Payable	—	—	—	—
Total Liabilities	0	0	0	0
Net Assets Available for Benefits	$ 882,178	$ 1,777,983	$ 287,260	$ 132,175
Fund Balances				
Pension Benefit Obligation:				
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	$ 618,904	$ 785,383	$ 162,081	$ 78,617
Current Employees:				
Accumulated Employee Contributions Including Allocated Investment Income	264,875	466,927	70,532	26,478
Employer-Financed Portion	148,971	535,192	116,387	76,597
Total Pension Benefit Obligation	1,032,750	1,787,502	349,000	181,692
Unreserved but Designated:				
Actuarial Experience Reserve	7,091	28,928	3,758	1,301
Retired Actuarial Experience Reserve	16,902	11,227	4,471	2,285
Retired Excess Earnings Reserve	55,858	—	11,513	9,046
Total Unreserved But Designated	79,851	40,155	19,742	12,632
Assets In Excess of Pension Benefit Obligation	491	68,623	—	—
Unfunded Pension Benefit Obligation	(230,914)	(118,297)	(81,482)	(62,149)
Net Unfunded Pension Benefit Obligation	(230,423)	(49,674)	(81,482)	(62,149)
Retirement Systems' Equity	—	—	—	—
Total Fund Balances	$ 882,178	$ 1,777,983	$ 287,260	$ 132,175

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total June 30, 1989
$ 1	$ 852	$ 339,671	$ (3)	$ 340,538
—	53,205	2,740,409	(3,012)	2,790,602
52	—	34,169	—	45,959
—	—	1,593	—	1,593
—	—	2,707	—	2,707
—	—	3,535	—	3,535
—	—	(2,778)	—	(2,778)
16,101	—	—	(3,083,942)	0
16,154	54,057	3,119,306	(3,086,957)	3,182,156
—	—	19,693	—	19,693
0	0	19,693	0	19,693
$ 16,154	$ 54,057	$ 3,099,613	$ (3,086,957)	$ 3,162,463
$ 8,531	$ —	$ —	$ —	$ 1,653,516
3,526	54,043	—	—	886,381
9,131	—	—	—	886,278
21,188	54,043	0	0	3,426,175
207	14	—	—	41,299
256	—	—	—	35,141
243	—	—	—	76,660
706	14	0	0	153,100
—	—	—	—	69,114
(5,740)	—	—	—	(498,582)
(5,740)	0	0	0	(429,468)
—	—	3,099,613	(3,086,957)	12,656
$ 16,154	$ 54,057	$ 3,099,613	$ (3,086,957)	$ 3,162,463

STATE OF UTAH

Combining Statement of Revenues, Expenses and Changes in Fund Balances – Pension Trust Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Pension Funds			
	Contributory System	Non-Contributory System	Public Safety System	Fire-fighters' System
Operating Revenues:				
Interest on Investments	$ 68,386	$ 130,435	$ 21,022	$ 9,659
Member Contributions	59,818	95,724	20,061	7,342
Miscellaneous	—	—	—	2,413
Total Operating Revenues	128,204	226,159	41,083	19,414
Operating Expenses:				
Administrative	—	—	—	—
Depreciation	—	—	—	—
Benefit Claims	62,166	49,841	12,141	6,602
Contribution Refunds	14,547	3,241	1,581	110
Supplies and Other Miscellaneous	—	—	—	—
Total Operating Expenses	76,713	53,082	13,722	6,712
Income Before Operating Transfers	51,491	173,077	27,361	12,702
Operating Transfers In	—	101,816	—	—
Operating Transfers Out	(109,403)	—	(357)	(132)
Net Income	(57,912)	274,893	27,004	12,570
Beginning Fund Balances	940,090	1,503,090	260,256	119,605
Ending Fund Balances	$ 882,178	$ 1,777,983	$ 287,260	$ 132,175

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total Pension Funds
$ 1,185	$ 3,609	$ 233,364	$ (227,559)	$ 240,101
444	22,906	—	—	206,295
584	—	—	—	2,997
2,213	26,515	233,364	(227,559)	449,393
—	339	2,371	—	2,710
—	—	482	—	482
700	—	—	—	131,450
45	2,344	—	—	21,868
—	—	2,015	—	2,015
745	2,683	4,868	0	158,525
1,468	23,832	228,496	(227,559)	290,868
—	21	31,399	(133,236)	0
(16)	—	—	101,837	(8,071)
1,452	23,853	259,895	(258,958)	282,797
14,702	30,204	2,839,718	(2,827,399)	2,879,666
$ 16,154	$ 54,057	$ 3,099,613	$ (3,086,957)	$ 3,162,463

Combining Statement of Changes in Financial Position
Pension Trust Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Pension Funds			
	Contributory System	Non-Contributory System	Public Safety System	Fire-fighters' System
Sources of Working Capital:				
Operations:				
Net Income (Loss)	$(57,912)	$ 274,893	$ 27,004	$ 12,570
Items Not Requiring Working Capital:				
Depreciation	—	—	—	—
Total Sources from Operations	(57,912)	274,893	27,004	12,570
Decrease in Other Investments	57,819	—	—	—
Total Sources of Working Capital	(93)	274,893	27,004	12,570
Uses of Working Capital:				
Increase in Other Investments	—	273,683	27,086	12,554
Acquisition of Property and Equipment	—	—	—	—
Total Uses of Working Capital	0	273,683	27,086	12,554
Net Increase (Decrease) in Working Capital	$ (93)	$ 1,210	$ (82)	$ 16
Elements of Net Increase (Decrease) in Working Capital:				
Cash and Cash Equivalents	$ —	$ —	$ —	$ —
Accounts Receivable/Due From Other Funds	(93)	1,210	(82)	16
Vouchers Payable/Accrued Liabilities/Due to Other Funds	—	—	—	—
Net Increase (Decrease) in Working Capital	$ (93)	$ 1,210	$ (82)	$ 16

Pension Funds				
Judges' System	Deferred Compensation 401K Plan	Retirement Investment Fund	Eliminations	Total Pension Funds
$ 1,452	$ 23,853	$ 259,895	$ (258,958)	$ 282,797
—	—	482	—	482
1,452	23,853	260,377	(258,958)	283,279
—	—	—	—	57,819
1,452	23,853	260,377	(258,958)	341,098
1,594	23,386	126,927	(258,966)	206,264
—	—	1,183	—	1,183
1,594	23,386	128,110	(258,966)	207,447
$ (142)	$ 467	$ 132,267	$ 8	$ 133,651
$ —	$ 467	$ 134,641	$ 8	$ 135,116
(142)	—	(1,730)	—	(821)
—	—	(644)	—	(644)
$ (142)	$ 467	$ 132,267	$ 8	$ 133,651

STATE OF UTAH

Combining Balance Sheet
Expendable Trust Funds

June 30, 1989

(Expressed in Thousands)

	Unemployment Compensation Trust	Employers' Reinsurance	Indian Affairs	Restricted	Total June 30, 1989
Assets					
Cash and Cash Equivalents	$ 205,905	$ 6,411	$ 1,105	$ 13,550	$ 226,971
Other Investments	—	—	7,503	17	7,520
Receivables:					
Accounts	2,584	—	1,125	—	3,709
Accrued Interest	—	—	126	451	577
Due From Other Funds	—	—	—	2,374	2,374
Total Assets	$ 208,489	$ 6,411	$ 9,859	$ 16,392	$ 241,151
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 1,974	$ 435	$ 31	$ 80	$ 2,520
Deposits Held in Custody	144	—	—	—	144
Due to Other Funds	568	—	8	3,435	4,011
Deferred Revenue	—	—	168	—	168
Policy Claim Liabilities	—	86,299	—	1,985	88,284
Total Liabilities	2,686	86,734	207	5,500	95,127
Fund Balances:					
Reserved	205,803	—	9,652	10,892	226,347
Unreserved Undesignated	—	(80,323)	—	—	(80,323)
Total Fund Balances	205,803	(80,323)	9,652	10,892	146,024
Total Liabilities and Fund Balances	$ 208,489	$ 6,411	$ 9,859	$ 16,392	$ 241,151

STATE OF UTAH

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Expendable Trust Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Unemployment Compensation Trust	Employers' Reinsurance	Indian Affairs	Restricted	Total June 30, 1989
Revenues:					
Federal Contracts and Grants	$ 508	$ —	$ —	$ 117	$ 625
Interest on Investments	15,911	467	766	2,591	19,735
Premiums and Other Collections	89,055	9,513	—	750	99,318
Miscellaneous	1,590	—	1,384	6,637	9,611
Total Revenues	107,064	9,980	2,150	10,095	129,289
Expenditures:					
General Government	—	—	—	4,769	4,769
Social Services/Claims	—	19,527	—	1,530	21,057
Community and Economic Development	—	—	2,214	—	2,214
Unemployment Claims	66,781	—	—	—	66,781
Public Education	—	—	—	684	684
Total Expenditures	66,781	19,527	2,214	6,983	95,505
Excess of Revenues Over (Under) Expenditures	40,283	(9,547)	(64)	3,112	33,784
Other Financing Sources (Uses):					
Operating Transfer In	—	—	—	3,000	3,000
Operating Transfer Out	(681)	(73)	(56)	(1,433)	(2,243)
Excess Revenues Over (Under) Expenditures and Other Uses	39,602	(9,620)	(120)	4,679	34,541
Beginning Fund Balances	166,201	(70,703)	9,772	6,213	111,483
Ending Fund Balances	$ 205,803	$ (80,323)	$ 9,652	$ 10,892	$ 146,024

STATE OF UTAH

Combining Statement of Changes in Assets and Liabilities – All Agency Funds

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

	Balance June 30, 1988	Additions	Deductions	Balance June 30, 1989
STATE TREASURER'S INVESTMENT POOLS				
Assets				
Cash and Cash Equivalents	$ 470,283	$ 1,345,610	$ 1,278,647	$ 537,246
Other Investments	31,248	—	262	30,986
Receivables:				
Accrued Interest	16,919	10,560	17,403	10,076
Due From Other Funds	186	15,777	15,875	88
Total Assets	$ 518,636	$ 1,371,947	$ 1,312,187	$ 578,396
Liabilities				
Due to Other Individuals/Groups	$ 187	$ 944	$ 913	$ 218
Due to Other Taxing Units	499,061	91,705	12,588	578,178
Obligations Under Reverse Repurchase Agreements	19,388	—	19,388	0
Total Liabilities	$ 518,636	$ 92,649	$ 32,889	$ 578,396
SOCIAL SECURITY AGENCY FUND (FOR OTHER GOVERNMENTS)				
Assets				
Cash and Cash Equivalents	$ 103	$ 15	$ 21	$ 97
Total Assets	$ 103	$ 15	$ 21	$ 97
Liabilities				
Due to Other Taxing Units	$ 103	$ 19	$ 25	$ 97
Total Liabilities	$ 103	$ 19	$ 25	$ 97
SALARY DEFERRAL 457 PLAN FUND				
Assets				
Cash and Cash Equivalents	$ 14,379	$ 41,576	$ 42,693	$ 13,262
Other Investments	67,636	20,923	8,914	79,645
Receivables:				
Accrued Interest	910	231	910	231
Total Assets	$ 82,925	$ 62,730	$ 52,517	$ 93,138
Liabilities				
Due to Other Individuals/Groups	$ 82,925	$ 21,393	$ 11,180	$ 93,138
Total Liabilities	$ 82,925	$ 21,393	$ 11,180	$ 93,138
COUNTY AND LOCAL COLLECTIONS FUND				
Assets				
Cash and Cash Equivalents	$ 5,097	$ 380,069	$ 366,417	$ 18,749
Due From Other Funds	26,377	58,780	73,714	11,443
Total Assets	$ 31,474	$ 438,849	$ 440,131	$ 30,192
Liabilities				
Due to Other Individuals/Groups	$ 525	$ 1,333	$ 1,342	$ 516
Due to Other Taxing Units	30,949	219,379	220,652	29,676
Total Liabilities	$ 31,474	$ 220,712	$ 221,994	$ 30,192

STATE OF UTAH

Combining Statement of Changes in Assets and Liabilities – All Agency Funds

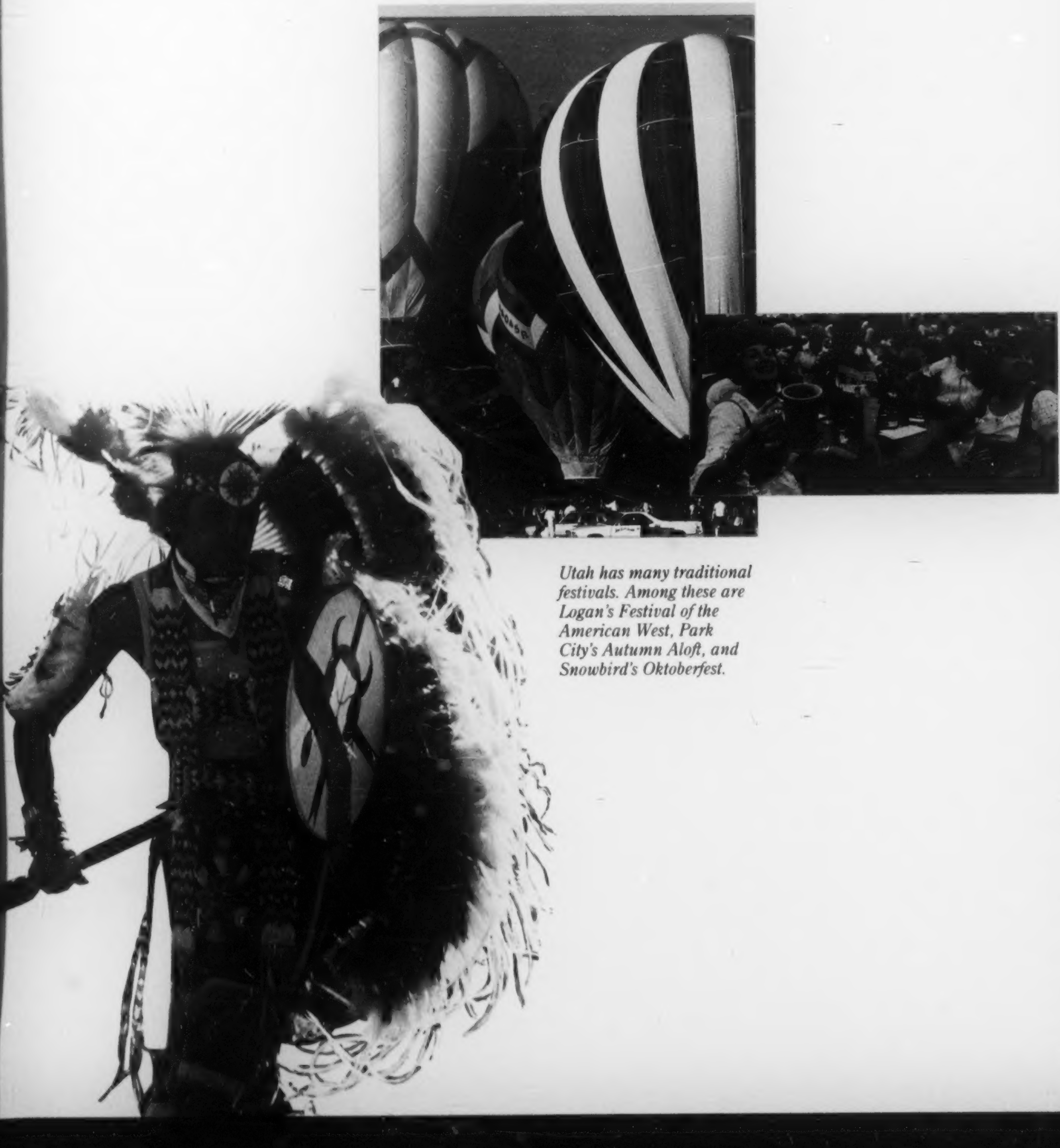
Continued

For the Fiscal Year Ended June 30, 1989

(Expressed in Thousands)

	Balance June 30, 1988	Additions	Deductions	Balance June 30, 1989
STATE COURT'S FUND				
Assets				
Cash and Cash Equivalents	$ 0	$ 2,607	$ 5	$ 2,602
Total Assets	$ 0	$ 2,607	$ 5	$ 2,602
Liabilities				
Due to Other Individuals/Groups	$ 0	$ 2,606	$ 4	$ 2,602
Due to Other Taxing Units	0	1	1	0
Total Liabilities	$ 0	$ 2,607	$ 5	$ 2,602
DEPOSITS, SUSPENSE, AND MISCELLANEOUS FUND				
Assets				
Cash and Cash Equivalents	$ 4,234	$ 130,888	$ 123,445	$ 11,677
Receivables:				
Accounts	140	—	109	31
Due From Other Funds	2,933	3,678	6,383	228
Total Assets	$ 7,307	$ 134,566	$ 129,937	$ 11,936
Liabilities				
Due to Other Individuals/Groups	$ 6,210	$ 9,457	$ 10,021	$ 5,646
Due to Other Taxing Units	1,097	100,019	94,826	6,290
Total Liabilities	$ 7,307	$ 109,476	$ 104,847	$ 11,936
TOTAL ASSETS AND LIABILITIES – ALL AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	$ 494,096	$ 1,900,765	$ 1,811,228	$ 583,633
Other Investments	98,884	20,923	9,176	110,631
Receivables:				
Accounts	140	—	109	31
Accrued Interest	17,829	10,791	18,313	10,307
Due From Other Funds	29,496	78,235	95,972	11,759
Total Assets	$ 640,445	$ 2,010,714	$ 1,934,798	$ 716,361
Liabilities				
Due to Other Individuals/Groups	$ 89,847	$ 35,733	$ 23,460	$ 102,120
Due to Other Taxing Units	531,210	411,123	328,092	614,241
Obligations Under Reverse Repurchase Agreements	19,388	—	19,388	0
Total Liabilities	$ 640,445	$ 446,856	$ 370,940	$ 716,361

GENERAL FIXED ASSETS ACCOUNT GROUP



Utah has many traditional festivals. Among these are Logan's Festival of the American West, Park City's Autumn Aloft, and Snowbird's Oktoberfest.

STATE OF UTAH

General Fixed Assets by Function and Activity

June 30, 1989 *(Expressed in Thousands)*

Function and Activity	Land	Buildings and Improvements	Equipment	Total General Fixed Assets
General Government:				
Control:				
Legislative	$ —	$ —	$ 1,125	$ 1,125
Executive	—	—	1,863	1,863
Judicial	996	4,298	9,721	15,015
Total Control	996	4,298	12,709	18,003
Government Operations:				
Administrative Services (A)	6,699	77,000	2,609	86,308
Tax Commission	—	—	6,489	6,489
Employment Security	916	6,651	—	7,567
Personnel Review Board	—	—	12	12
Total Government Operations	7,615	83,651	9,110	100,376
Total General Government	8,611	87,949	21,819	118,379
Business, Labor and Agriculture:				
Agriculture	173	4,700	1,392	6,265
Business Regulation	—	—	1,537	1,537
Financial Institutions	—	—	75	75
Industrial Commission	—	—	559	559
Insurance Department	—	—	327	327
Public Service Commission	—	—	97	97
Total Business, Labor and Agriculture	173	4,700	3,987	8,860
Natural Resources	46,658	45,420	10,752	102,830
Higher Education	—	—	401	401
Public Education	1,886	33,891	16,430	52,207
Social Services	2,170	53,206	14,405	69,781
Corrections	644	78,960	4,966	84,570
Health	51	3,623	9,446	13,120
Public Safety	3,481	19,105	12,911	35,497
Transportation	14,075	42,682	6,425	63,182
Community and Economic Development	85	7,970	5,777	13,832
Total General Fixed Assets Allocated to Functions	$ 77,834	$ 377,506	$ 107,319	562,659
Construction-In-Progress				64,016
Total General Fixed Assets				$ 626,675

(A) Administrative Services' assets include the general buildings and land of the State.

Changes in General Fixed Assets by Function and Activity

For the Fiscal Year Ended June 30, 1989 *(Expressed in Thousands)*

Function and Activity	General Fixed Assets June 30, 1988	Additions	Retirements	General Fixed Assets June 30, 1989
General Government:				
Control:				
Legislative	$ 1,115	$ 356	$ 346	$ 1,125
Executive	1,560	425	122	1,863
Judicial	10,064	4,951	—	15,015
Total Control	12,739	5,732	468	18,003
Government Operation:				
Administrative Services (A)	70,700	15,932	324	86,308
Tax Commission	5,392	1,514	417	6,489
Employment Security	6,479	1,198	110	7,567
Personnel Review Board	7	8	3	12
Total Government Operations	82,578	18,652	854	100,376
Total General Government	95,317	24,384	1,322	118,379
Business, Labor and Agriculture:				
Agriculture	6,024	285	44	6,265
Business Regulation	1,213	395	71	1,537
Financial Institutions	80	30	35	75
Industrial Commission	538	21	—	559
Insurance Department	330	—	3	327
Public Service Commission	138	7	48	97
Total Business, Labor and Agriculture	8,323	738	201	8,860
Natural Resources	99,864	3,203	237	102,830
Higher Education	358	43	—	401
Public Education	51,963	490	246	52,207
Social Services	65,782	5,107	1,108	69,781
Corrections	53,348	31,496	274	84,570
Health	12,383	1,468	731	13,120
Public Safety	33,241	2,836	580	35,497
Transportation	60,018	8,970	5,806	63,182
Community and Economic Development	13,527	305	—	13,832
Total General Fixed Assets Allocated to Functions	494,124	79,040	10,505	562,659
Construction-In-Progress (B)	66,204	38,195	40,383	64,016
Total General Fixed Assets	$ 560,328	$ 117,235	$ 50,888	$ 626,675

(A) Administrative Services' assets include the general buildings and land of the State.

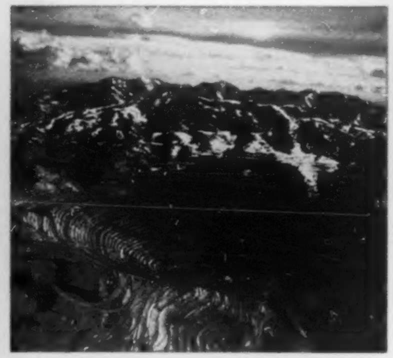
(B) Retirements of Construction-In-Progress are transferred as additions to Land and Buildings.

COLLEGE AND UNIVERSITY FUNDS

The College and University Funds are maintained to account for the operations of public institutions of higher education. These institutions maintain their own financial records which are not a part of the central accounting system of the State. The two universities and seven colleges that make up the institutions of higher education are:

- University of Utah
- Utah State University
- Weber State College
- Southern Utah State College
- Snow College
- Dixie College
- College of Eastern Utah
- Salt Lake Community College
- Utah Valley Community College

Utah's industry is as varied as its scenery. Mining, manufacturing, agriculture, and a growing service industry are some of the more prominent businesses.



STATE OF UTAH

Combining Balance Sheet
All College and University Funds

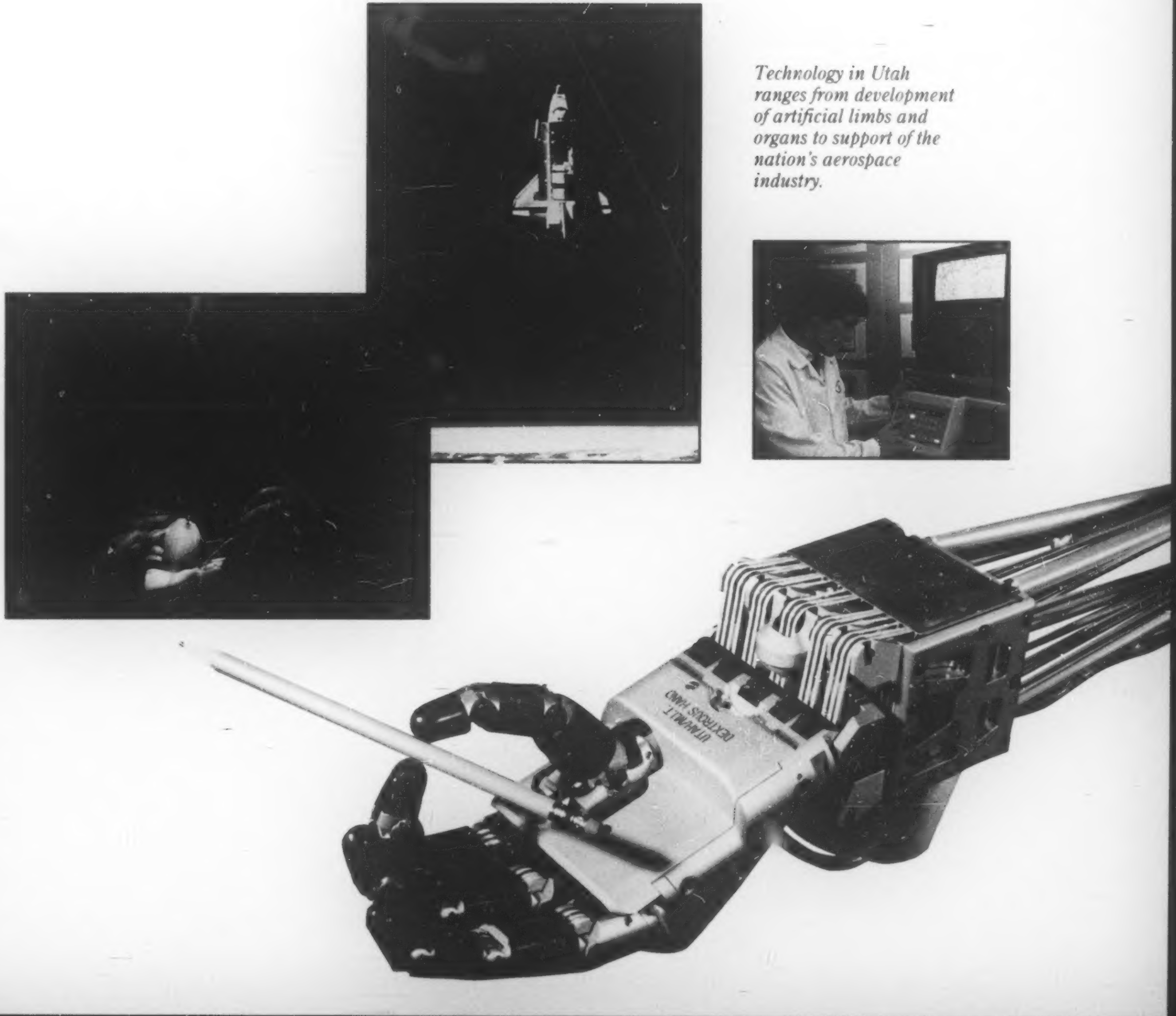
June 30, 1989 *(Expressed in Thousands)*

	Current Funds				
	Unrestricted	Restricted	Loan Funds	Endowment and Similar Funds	Agency Funds
Assets					
Cash and Cash Equivalents	$ 62,246	$ 26,593	$ 1,350	$ 35,361	$ 2,001
Other Investments	60,408	28,246	853	33,214	1,628
Receivables:					
Accounts	54,869	25,017	34	280	28
Notes	302	—	36,436	—	—
Accrued Interest	339	76	—	2	—
Due From Other Funds	4,344	270	—	5,672	—
Inventories	14,032	42	—	—	91
Prepaid Expenses	7,507	937	—	1,260	107
Deferred Compensation Plan Assets	—	—	—	—	5,356
Land	—	—	—	—	—
Buildings and Improvements	—	—	—	—	—
Machinery and Equipment	—	—	—	—	449
Construction-In-Progress	—	—	—	—	—
Total Assets	$ 204,047	$ 81,181	$ 38,673	$ 75,789	$ 9,660
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 45,490	$ 6,733	$ —	$ 24	$ 914
Contracts Payable	—	—	—	—	—
Accrued Liabilities	29,144	2,365	—	—	29
Deposits Held in Custody	108	—	—	—	3,252
Due to Other Funds	5,140	3,024	—	—	—
Deferred Revenue	8,085	2,769	—	10	109
Notes Payable	18	—	—	—	—
Revenue Bonds Payable	—	—	—	—	—
Deferred Compensation Plan Liability	—	—	—	—	5,356
Total Liabilities	87,985	14,891	0	34	9,660
Fund Balances:					
Investment in Fixed Assets	—	—	—	—	—
Reserved for:					
Restricted Fund Balances	—	50,308	34,814	937	—
Endowment and Similar Funds	—	—	—	55,695	—
Unreserved:					
Encumbrances	11,997	15,417	—	—	—
Designated – Other	96,062	565	3,859	19,123	—
Undesignated	8,003	—	—	—	—
Total Fund Balances	116,062	66,290	38,673	75,755	0
Total Liabilities and Fund Balances	$ 204,047	$ 81,181	$ 38,673	$ 75,789	$ 9,660

Plant Funds				
Unexpended	Renewal and Replacements	Retirement of Indebtedness	Investment in Plant	Total June 30, 1989
$ 19,749	$ 7,916	$ 5,244	$ —	$ 160,460
17,897	8,221	2,864	—	153,331
34,672	572	55	—	115,527
109	—	—	—	36,847
64	43	39	—	563
6	2,265	294	—	12,851
—	—	—	—	14,165
155	137	939	—	11,042
—	—	—	—	5,356
—	—	—	19,927	19,927
—	—	—	661,549	661,549
—	—	—	388,546	388,995
5,206	—	—	64,787	69,993
$ 77,858	$ 19,154	$ 9,435	$ 1,134,809	$ 1,650,606
$ 2,077	$ 80	$ 777	$ —	$ 56,095
—	—	—	5,744	5,744
—	—	56	95	31,689
949	—	—	—	4,309
3,522	2,121	4	1,372	15,183
179	—	6	—	11,158
700	—	294	3,027	4,039
2,249	—	—	67,812	70,061
—	—	—	—	5,356
9,676	2,201	1,137	78,050	203,634
—	—	—	1,056,759	1,056,759
42,298	12,869	8,142	—	149,368
—	—	—	—	55,695
17,294	640	156	—	45,504
8,590	3,444	—	—	131,643
—	—	—	—	8,003
68,182	16,953	8,298	1,056,759	1,446,972
$ 77,858	$ 19,154	$ 9,435	$ 1,134,809	$ 1,650,606

STATISTICAL SECTION

The Statistical Section gives report users a better historical perspective of financial information that may assist in assessing current financial status and trends of the State. In addition, certain demographic and economic data have been presented that will allow a broader understanding of the economic and social environment in which State government operates.



Technology in Utah ranges from development of artificial limbs and organs to support of the nation's aerospace industry.

General Governmental Expenditures and Other Uses by Function(A)

For the Last Ten Fiscal Years *(Expressed in Thousands)*

Function	Fiscal Year Ended June 30									
	Unaudited 1980(B)	1981(B)	1982	1983	1984	1985	1986	1987	1988	1989
General Government	$ 82,394	$ 83,760	$ 95,421	$ 120,833	$ 128,852	$ 118,186	$ 134,201	$ 140,006	$ 149,223	$ 167,060
Business, Labor and Agriculture	13,022	14,481	15,130	18,721	20,729	21,858	22,777	22,470	21,069	23,524
Community and Economic Development	18,088	18,573	22,280	24,605	48,615	67,695	57,268	58,571	52,648	58,001
Higher Education	149,556	167,431	184,566	206,290	205,319	239,249	254,139	251,218	263,473	273,379
Natural Resources	37,808	40,409	39,732	38,270	47,293	50,585	58,669	54,855	57,657	60,778
Social Services, Corrections, and Health	276,837	337,239	354,070	420,216	457,911	495,188	563,546	606,107	626,609	652,692
Public Education	404,060	453,956	498,562	569,926	575,231	647,128	734,862	743,529	787,773	823,576
Transportation and Public Safety	247,952	237,313	215,169	225,686	324,688	410,168	386,868	343,809	351,680	440,509
Capital Outlay	78,426	74,052	49,826	71,068	58,550	67,717	82,783	125,138	62,463	77,630
Debt Service	18,009	8,116	18,128	20,641	82,112	94,024	74,203	91,004	58,447	64,601
Total Expenditures All Governmental Fund Types	$ 1,326,152	$ 1,435,330	$ 1,492,884	$ 1,716,256	$ 1,949,300	$ 2,211,798	$ 2,369,316	$ 2,436,707	$ 2,431,042	$ 2,641,750

(A) Note: This summary includes expenditures of the State's governmental fund types which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund. General Fund appropriations to the colleges and universities reported as transfers in the financial statements have been included here as Higher Education expenditures.

(B) Note: The information for fiscal years 1980 and 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

STATE OF UTAH

General Revenues and Other Financing Sources by Source(A)

For the Last Ten Fiscal Years

(Expressed in Thousands)

Function	Unaudited 1980(C)	1981(C)	1982	1983	1984	1985	1986	1987	1988	1989
	Fiscal Year Ended June 30									
Unrestricted:										
Sales Taxes	$ 321,089	$ 347,380	$ 385,033	$ 388,687	$ 488,455	$ 539,621	$ 542,751	$ 559,116	$ 616,091	$ 666,841
Individual Income Tax	265,328	294,817	330,840	346,610	389,959	434,873	453,537	533,190	530,692	636,514
Corporate Franchise Tax	40,377	40,665	40,894	34,882	53,227	65,918	84,048	69,409	83,427	95,793
Motor & Special Fuel Tax	70,921	66,675	80,406	81,289	83,428	107,128	111,533	120,612	156,924	160,525
Licenses, Permits & Fees	26,957	30,810	34,695	42,638	44,522	46,723	48,605	51,215	52,608	55,900
Liquor Control Profits(B)	15,054	17,604	19,163	19,005	19,475	18,867	19,008	17,177	15,918	15,984
Local School Districts	14,045	6,999	—	1,740	—	—	—	—	—	—
Interest on Investments	35,736	32,024	40,077	37,930	42,048	39,879	22,154	11,777	12,760	22,346
Misc. Tax & Other	(5,876)	48,809	62,976	65,361	98,811	114,233	115,590	94,991	106,959	115,716
Total Unrestricted	783,631	885,783	994,084	1,018,142	1,219,925	1,367,242	1,397,226	1,457,487	1,575,379	1,769,619
Restricted:										
Restricted Sales Tax	—	—	—	—	36,686	15,486	15,626	—	—	—
Federal Contracts & Grants	375,652	414,944	420,475	467,603	556,065	633,059	715,689	694,327	670,255	775,245
Departmental Collections	29,563	58,395	42,518	53,407	57,269	65,499	69,239	76,340	86,106	79,502
Public Education Dedicated Credits	252	95	225	77	82	59	—	9	75	—
Aeronautics	4,205	6,347	2,619	3,821	8,818	13,648	13,381	11,093	17,979	18,086
Federal Mineral Lease	14,933	18,153	75,423	36,163	37,468	34,190	32,578	22,384	28,836	50,800
Intergovernmental	20,765	26,709	13,361	20,402	18,518	11,340	19,432	18,406	14,671	11,452
Interest on Investments	—	—	2,477	818	3,813	2,045	10,879	16,694	15,339	11,371
Miscellaneous	45,693	22,906	17,232	20,592	15,697	20,883	15,684	23,608	18,569	25,454
Total Restricted	491,063	547,549	574,330	602,883	734,416	796,209	892,508	862,861	851,830	971,910
Total Revenues	$ 1,274,694	$ 1,433,332	$ 1,568,414	$ 1,621,025	$ 1,954,341	$ 2,163,451	$ 2,289,734	$ 2,320,348	$ 2,427,209	$ 2,741,529

(A) Note: This summary includes revenues of the State governmental fund types which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

(B) Note: In the fiscal year June 30, 1982 through 1989 Financial Reports, Liquor Control Profits were reported as a transfer to the General Fund rather than as an unrestricted revenue source.

(C) Note: The information for fiscal years 1980 and 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

STATE OF UTAH

General Obligation Bonds
Ratio of Net General Bonded Debt to Reasonable Fair Cash Value and Net Bonded Debt Per Capita

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GENERAL OBLIGATION BONDS

Article XIV, Section 1, of the Utah Constitution limits the State to a total general obligation debt not to exceed 1.5% of the value of the taxable property of the State. Using the latest valuation made in 1989, the debt limit of the State at June 30, 1989 was $797,296,000. The State issued no new general obligation bonds during the fiscal year ended June 30, 1989. The State's total general obligation debt outstanding at June 30, 1989 is $250,635,000. Therefore, under the law, the State has $546,661,000 of additional borrowing capacity.

(Expressed in Thousands)

	Maturity Dates	Original Issues	Outstanding June 30, 1989
1978 Building Issue	1982 - 1989	$ 25,115	$ 5,500
1978 Water Issue	1981 - 1989	$ 25,000	5,500
1980 Water Issue	1981 - 1989	$ 11,000	1,500
1982 Water Issue	1982 - 1989	$ 14,000	8,000
1984 Refunding Issue	1987 - 1990	$ 29,490	8,240
1985B Refunding Issue	1987 - 1991	$ 81,135	76,690
1986 Various Purpose Issue	1988 - 1993	$ 91,230	81,005
1987 Capital Facility Issue	1991 - 1994	$ 58,475	58,475
1988 Lease Acquisition Issue	1991	$ 5,725	5,725
Total General Obligation Bonds			$ 250,635

RATIO OF NET GENERAL BONDED DEBT TO REASONABLE FAIR CASH VALUE AND NET BONDED DEBT PER CAPITA

For The Last Ten Fiscal Years

		(Expressed in Thousands)							
Fiscal Year	Population	Reasonable Fair Cash Value(B)	Gross Bonded Debt	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Debt Payable From College & University Revenues	Net Bonded Debt(A)	Ratio of Net Bonded Debt to Reasonable Fair Cash Value	Net Bonded Debt Per Capita
1980	1,472,000	$ 22,408,000	$ 577,960	$ 1,834	$ 407,272	$ 57,198	$ 111,656	.50%	$ 76
1981	1,515,000	30,055,000	628,060	11,837	408,949	65,621	141,653	.47%	94
1982	1,558,000	33,135,000	761,551	8,607	539,261	63,965	149,718	.45%	96
1983	1,595,000	40,703,333	955,881	6,317	585,782	64,149	299,633	.74%	188
1984	1,623,000	46,531,667	1,045,037	48,489	644,230	62,627	289,691	.62%	178
1985	1,645,000	46,356,150	1,211,854	48,829	852,701	50,108	260,216	.56%	158
1986	1,665,000	50,155,060	1,188,306	23,837	839,521	67,885	257,063	.51%	154
1987	1,680,400	53,021,759	1,240,545	4,661	893,806	65,484	276,594	.52%	165
1988 est.	1,691,000	53,342,907	1,364,093	6,767	981,876	69,927	305,523	.57%	181
1989 est.	1,739,000	53,153,064	1,679,849	13,909	1,318,113	70,061	277,766	.52%	160

(A) Note: Includes general obligation bonds plus revenue bonds whose repayment is funded through governmental type fund operations or appropriations.

(B) Note: Beginning in 1986, the Utah State Tax Commission determined assessed property values on a reasonable fair cash basis. Years 1980 through 1985 have been restated to reflect the change from assessed value to reasonable fair cash basis.

STATE OF UTAH

Calculation of Legal Debt Limits, Statutory Debt Limit, General Obligation Bonded Debt Per Capita

For the Last Ten Fiscal Years

CALCULATION OF LEGAL DEBT LIMITS

(Expressed in Millions)

	Fiscal Year Ended June 30									
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
State Assessed Property Value (A)	$ 5,602	$ 6,011	$ 6,627	$ 7,227	$ 8,242	$ 8,207	$ 8,877	$ 47,258	$ 47,506	$ 47,314
Legislated Percent (B)	25%	20%	20%	(C)	(D)	(E)	(F)	N/A	N/A	N/A
Reasonable Fair Cash Value (Assessed Value Divided by %)	22,408	30,055	33,135	40,703	46,532	46,356	50,155 (A)	53,021 (A)	53,343 (A)	53,153 (A)
Debt Limit (Reasonable Fair Cash Value Times 1.5%)	336	451	497	611	698	695	752	795	800	797
General Obligation Bonded Debt	(113)	(125)	(129)	(237)	(272)	(230)	(218)	(255)	(291)	(251)
Additional General Obligation Debt Incurring Capacity	$ 223	$ 326	$ 368	$ 374	$ 426	$ 465	$ 534	$ 540	$ 509	$ 546

(A) Source: Utah State Tax Commission
(B) Source: 59-2-103 *Utah Code Annotated, 1953, as amended*
(C) $2,741,000 valued at 15% and $4,486,000 valued at 20%
(D) $3,193,000 valued at 15% and $5,049,000 valued at 20%
(E) $3,193,200 valued at 15% and $5,013,513 valued at 20%
(F) $3,462,016 valued at 15% and $5,414,992 valued at 20%

STATUTORY DEBT LIMIT

The statutory debt limit was first enacted in 1989 and is 20% of the appropriations limit. At June 30, 1989 the statutory debt limit was (expressed in thousands):

	Calculated Using The Fiscal Year 1990 Appropriation Limitation	Calculated Using The Fiscal Year 1989 Appropriation Limitation
Appropriation Limitation	$ 1,690,200	$ 1,625,252
	20%	20%
Statutory Debt Limit	338,040	325,050
Outstanding General Obligation Debt	250,635	250,635
Additional General Obligation Debt Incurring Capacity	$ 87,405	$ 74,415

GENERAL OBLIGATION BONDED DEBT PER CAPITA

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Net General Obligation Bonded Debt Per Capita	$ 77.10	$ 82.17	$ 83.01	$ 148.56	$ 167.55	$ 139.64	$ 130.93	$ 151.88	$ 172.09	$ 144.13

STATE OF UTAH

Ratio of Debt Service Expenditures to General and to All Governmental Fund Type Expenditures

For the Last Ten Fiscal Years

(Expressed in Millions)

	Fiscal Year Ended June 30									
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
General Fund Expenditures	$ 603	$ 691	$ 739	$ 859	$ 953	$ 1,036	$ 1,137	$ 1,185	$ 1,217	$ 1,280
Debt Service Expenditures	$ 18	$ 8	$ 18	$ 21	$ 53	$ 94	$ 71	$ 84	$ 53	$ 65
Ratio Debt Service to General Fund Expenditures	2.99%	1.16%	2.44%	2.44%	5.56%	9.07%	6.24%	7.09%	4.35%	5.08%
Total All Governmental Funds Expenditures	$ 1,326	$ 1,435	$ 1.493	$ 1,716	$ 1,949	$ 2,212	$ 2,369	$ 2,437	$ 2,432	$ 2,642
Ratio Debt Service Expenditures to All Governmental Funds Expenditures	1.36%	0.56%	1.21%	1.22%	2.72%	4.25%	2.99%	3.45%	2.18%	2.46%

Enterprise Funds Revenue Bond Coverage

Revenue Bonds/Notes

ENTERPRISE FUNDS – REVENUE BOND COVERAGE

For the Last Ten Fiscal Years (Expressed in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses(A)	Net Revenue Available Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1980	$ 29,208	$ 1,615	$ 27,593	$ 3,920	$ 17,713	$ 21,633	1.28
1981	41,530	8,845	32,685	6,450	26,316	32,766	1.00
1982	38,386	3,307	35,079	8,575	26,575	35,150	1.00
1983	57,015	3,257	53,758	19,905	43,071	62,976	.85
1984	68,814	3,076	65,738	88,690	51,464	140,154	.47
1985	83,909	3,944	79,965	21,200	64,287	85,487	.94
1986	93,305	5,336	87,969	21,269	74,854	96,123	.92
1987	84,880	8,158	76,722	185,571	71,793	257,364	.30
1988	84,644	6,245	78,399	99,709	74,950	174,659	.45
1989	114,112	7,787	106,325	51,308	97,438	148,746	.71

Enterprise Funds Revenue Bond coverage included bonds from the Utah Housing Finance Agency and the Student Assistance Programs. These are the only enterprise funds that have issued revenue bonds.

(A) Does not include interest expense.

REVENUE BONDS/NOTES

In addition to general obligation debt, several issues of revenue bonds/notes were outstanding at June 30, 1989.

The Utah Housing Finance Agency has issued mortgage purchase bonds to provide adequate sources of capital for housing for low and moderate income families. The bonds, totaling $1,089,592,000, are to be repaid from mortgage payments.

The Board of Regents issued Student Loan Bonds to guarantee repayment of eligible student loans and to make loans to eligible students. The bonds are financed and repaid from student interest and loan payments and Federal allowances. Outstanding bonds at June 30, 1989 net of unamortized discount, total $228,521,000.

The State of Utah issued Certificates of Participation to finance certain equipment purchases for use by various State departments. The departments make payments which are used to repay the certificates. Outstanding certificates at June 30, 1989 totaled $16,040,000.

The Utah State Building Ownership Authority issued a bond for the construction of office facilities for the Department of Employment Security and is to be repaid from the lease income. Outstanding bonds at June 30, 1989 totaled $25,000,000.

The Colleges and Universities have issued bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds at June 30, 1989 totaled $70,061,000.

In the opinion of the bond counsel, the revenue bonds are not a debt, liability, or general obligation of the State of Utah and, therefore, do not impair the legal borrowing capacity of the State.

STATE OF UTAH

Revenue Bonds/Notes

(Expressed in Thousands)

Revenue Bonds	Maturity Dates	Original Issues	Outstanding June 30, 1989
Utah Housing Finance Agency:			
Single Family Mortgages			
1977 Series A	1979 – 2008	$ 75,000	$ 46,495
1978 Series A	1980 – 2009	$ 70,000	44,910
1979 Series A	1980 – 2010	$ 56,980	41,570
1980 Series A	1981 – 2011	$ 100,000	74,800
1980 Series B	1981 – 2011	$ 50,000	36,220
1982 Series A	1984 – 1999	$ 121,765	8,500
1983 Series A	1985 – 2015	$ 51,190	42,470
1983 Series R	1986 – 2016	$ 147,060	106,358
1984 Series A	1987 – 2016	$ 198,300	68,728
1986 Series A	1993 – 2016	$ 91,015	52,625
1986 Series B	1993 – 2016	$ 13,360	13,190
1987 Series A	1993 – 2016	$ 38,322	38,322
1987 Series B	2006 – 2016	$ 28,386	28,386
1987 Series C	2000	$ 2,249	2,249
1987 Series D	1989 – 2019	$ 27,640	27,535
1987 Series E	1989 – 2019	$ 36,835	36,835
1987 Series F	1990 – 2019	$ 32,920	32,920
1987 Series G	1990 – 2019	$ 22,815	22,815
1988 Series A	1990 – 2019	$ 25,000	25,000
1988 Series B	1990 – 2019	$ 25,000	25,000
1988 Series C	1990 – 2019	$ 50,000	50,000
1988 Series D	1990 – 2019	$ 25,000	25,000
1988 Series E	1990 – 2020	$ 25,000	25,000
1988 Series F	1990 – 2020	$ 25,000	25,000
1988 Series G	1990 – 2020	$ 29,610	29,610
1989 Series A	1991 – 2021	$ 25,000	25,000
1989 Series B	1991 – 2021	$ 25,000	25,000
1989 Series C	1991 – 2021	$ 25,000	25,000
1989 Series D	1992 – 2016	$ 20,160	20,160
Subtotal			$ 1,024,698
Multi-Family Mortgages			
1978 Series A	2005 – 2021	$ 3,294	$ 3,125
1979 Series A	1981 – 2022	$ 9,375	8,945
1982 Series A	2024	$ 17,015	16,915
1982 Series B	1985 – 2024	$ 5,565	5,380
1983 Series A	1985 – 2024	$ 1,420	1,370
1983 Series 7 and 9	1996	$ 8,210	7,985
1985 Series A	1988 – 1998	$ 31,305	8,447
1985 Series B	2007	$ 6,500	5,727
1988 Series A	1997	$ 7,000	7,000
Subtotal			$ 64,894
Total Utah Housing Finance Agency Bonds			$ 1,089,592
Board of Regents:			
Student Loan Bonds Net of Unamortized Discount	1979 – 2013	$ 257,400	$ 228,521
Utah State Bonding Commission:			
1984A Certificate of Participation	1985 – 1991	$ 34,490	$ 16,040
Utah State Building Ownership Authority:			
1988 Lease Revenue	1992 – 2011	$ 25,000	$ 25,000
Colleges and Universities:			
Revenue Bonds	1992 – 2016	$ 101,459	$ 70,061

STATE OF UTAH

Population

Taxable Sales, Personal Income

POPULATION

Utah's population grew faster during the decade from 1970 through 1980 than at any other time in its history. During that period, there was approximately a 406,000 person increase or 38% growth rate. This growth rate was significantly higher than the national average which was approximately 11%, and slightly higher than the mountain states growth rate which was approximately 37% for the same period. The State's growth rate slowed somewhat after 1982. For the period from 1980 to estimated 1989, the State's growth rate was 18%. Population estimates still indicate that Utah's population will be over 2 million by the year 2000.

Utah's population is concentrated in the four-county area along the Wasatch Mountain front which includes the Salt Lake City-County area and the surrounding counties of Utah, Davis and Weber with approximately 1,309,000 people or 77% of the total population as of July 1, 1988 estimates.

Year	Population
1940	552,000
1950	696,000
1960	900,000
1970	1,066,000
1980	1,472,000
1981	1,515,000
1982	1,558,000
1983	1,595,000
1984	1,623,000
1985	1,645,000
1986	1,665,000
1987	1,680,000
1988 est.	1,691,000
1989 est.	1,739,000

Source: "Statistical Review of Government in Utah" prepared by Utah Foundation from U.S. Bureau of Census Reports and estimates of the Utah Population Estimates Committee.

TAXABLE RETAIL SALES AND PERSONAL INCOME

The following table shows the gross taxable retail sales, total personal income, and per capita income in Utah for the last ten years.

Year Ended December 31	Gross Taxable Retail Sales (A) (in millions)	Total Personal Income (B) (in millions)	Per Capita Personal Income (B)	Per Capita Percent of Change From Previous Year
1979	$ 8,131	$ 10,007	$ 7,067	9.4%
1980	8,691	11,223	7,624	7.9
1981	9,857	12,619	8,329	9.2
1982	10,020	13,788	8,850	6.3
1983	10,716	14,575	9,138	3.3
1984	12,294	16,052	9,890	8.2
1985	12,574	17,011	10,341	4.6
1986	12,378	17,892	10,746	3.9
1987	12,188	18,894	11,246	4.7
1988	13,017	20,604	12,193	8.4

(A) Source: Utah State Tax Commission based on Sales and Use tax reports.

(B) Source: 1979 through 1983 "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. The amounts for 1984 to 1988 from the Utah Department of Employment Security.

Personal Income by Sector

(Expressed in Millions)

						Percent of Gross 1987	
	1983	1984	1985	1986	1987	Utah	U.S.
Government Sector							
Federal Civilian	$ 861	$ 920	$ 1,009	$ 1,026	$ 1,053	5.3%	2.3%
Federal Military	160	174	187	199	209	1.0	1.1
State and Local	1,381	1,483	1,674	1,807	1,837	9.2	7.6
Transfer Payments	1,972	2,001	2,306	2,511	2,721	13.7	13.9
Total Government	4,374	4,578	5,176	5,543	5,820	29.2	24.9
Private Sector							
Manufacturing	1,941	2,250	2,359	2,368	2,404	12.1	14.3
Mining	463	449	374	329	309	1.6	0.7
Construction	699	849	1,099	1,041	937	4.7	4.5
Trade	1,802	1,975	2,211	2,311	2,330	11.7	11.3
Finance	531	599	696	771	834	4.2	5.1
Transportation, Utilities and Communications	1,068	1,120	1,201	1,202	1,241	6.2	4.8
Services and Other Non-Farm	1,920	2,165	2,645	2,910	3,279	16.5	17.0
Dividends, Interest, Rent	2,416	2,789	2,244	2,439	2,548	12.8	16.1
Net Farm Income	89	106	73	143	197	1.0	1.3
Total Private	10,929	12,302	12,902	13,514	14,079	70.8	75.1
Gross Personal Income	$ 15,303	$ 16,880	$ 18,078	$ 19,057	$ 19,899	100.0%	100.0%

Source: "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. Information for years 1988 and 1989 is not yet available.

STATE OF UTAH

Composition of Civilian Work Force

Average Annual Unemployment Rate

COMPOSITION OF CIVILIAN WORK FORCE MONTHLY AVERAGE

	1960	1970	1980	June 1988	June 1989
Government					
Federal	28,060	41,088	37,090	39,396	39,659
State:					
Education	6,153	13,666	17,571	20,626	21,296
Non-Education	5,372	9,856	14,703	17,263	17,834
Local	22,685	35,488	55,682	64,131	65,413
Total Government	62,270	100,098	125,046	141,416	144,202
Mining	14,131	12,854	18,500	8,281	7,823
Construction	14,851	14,708	31,549	24,958	25,151
Manufacturing	47,549	55,973	87,700	95,165	101,282
Transportation, Communications and Utilities	22,257	23,128	34,120	38,334	40,019
Trade	58,816	79,208	128,678	153,089	160,291
Finance, Insurance and Real Estate	11,292	14,977	25,768	33,782	33,262
Service and Miscellaneous	32,141	56,489	100,528	151,806	161,019
Other and Agriculture	45,493	31,565	42,111	66,069	62,560
Total Employed	308,800	389,000	594,000	712,900	735,609
Unemployed	15,500	25,200	40,000	42,800	34,405
Total Labor Force	324,300	414,200	634,000	755,700	770,014

Source: 1960 through 1980 "Statistical Review of Government in Utah" prepared by the Utah Foundation from reports and records of the Utah Department of Employment Security. Numbers for 1988 and the 1989 forecast were prepared from reports of the Utah Department of Employment Security.

AVERAGE ANNUAL UNEMPLOYMENT RATE FOR THE LAST FIVE FISCAL YEARS

Year	Utah (A)	U.S. (B)
1985	6.2%	7.3%
1986	5.8%	7.3%
1987	6.4%	6.7%
1988	5.7%	5.8%
1989	4.5%	5.3%

Source: (A) Utah Department of Employment Security
(B) Employment and Earnings – Bureau of Labor Statistics

STATE OF UTAH

Gross Taxable Retail Sales and Use Tax Purchases

Bank Deposits

GROSS TAXABLE RETAIL SALES AND USE TAX PURCHASES FOR THE LAST FIVE FISCAL YEARS

(Expressed in Thousands)

	Gross Retail Sales and Purchases					Percent Change	Percent Change
	1985	1986	1987	1988	1989	1987 to 1988	1988 to 1989
Major Industry:							
Agriculture, Forestry and Fishing	$ 9,382	$ 8,701	$ 9,488	$ 9,850	$ 9,102	3.8%	(7.6)%
Mining	190,755	118,459	90,299	117,890	124,376	30.6	5.5
Construction	342,746	299,243	213,424	187,505	171,766	(12.1)	(8.4)
Manufacturing	968,172	948,582	787,617	689,629	795,329	(12.4)	15.3
Transportation	66,694	54,569	43,364	51,060	30,527	17.7	(40.2)
Communications	308,709	329,583	381,307	373,465	433,067	(2.1)	16.0
Electric, Gas and Sanitation	858,057	803,160	813,077	724,023	947,976	(11.0)	30.9
Wholesale Trade	1,432,277	1,370,784	1,191,521	1,149,858	1,196,276	(3.5)	4.0
Retail – Building and Garden	531,630	528,301	547,637	495,163	478,027	(9.6)	(3.5)
Retail – General Merchandise	883,111	918,227	959,006	1,015,105	1,149,433	5.8	13.2
Retail – Food Stores	1,539,602	1,695,255	1,819,272	1,850,758	1,906,741	1.7	3.0
Retail – Motor Vehicle Dealers Etc.	1,326,899	1,368,249	1,422,350	1,322,196	1,483,637	(7.0)	12.2
Retail – Apparel and Accessories	301,865	326,206	329,138	350,054	371,832	6.4	6.2
Retail – Furniture and Home Furnishings	437,087	444,053	491,231	454,855	457,530	(7.4)	0.6
Retail – Eating and Drinking Places	607,372	667,022	698,689	716,631	750,309	2.6	4.7
Retail – Miscellaneous	830,779	817,798	749,991	786,188	895,999	4.8	14.0
Finance, Insurance and Real Estate	51,574	61,912	73,784	69,303	63,111	(6.1)	(8.9)
Services	1,378,376	1,364,676	1,385,659	1,546,366	1,676,448	11.6	8.4
Public Administration	101,552	72,450	78,412	81,367	85,476	3.8	5.0
Private Motor Vehicle Sales	222,716	213,524	216,240	187,969	202,343	(13.1)	7.6
Occasional Retail Sales	19,231	36,459	12,743	33,733	29,264	164.7	(13.2)
Nondisclosable	22,812	34,627	24,122	26,685	25,737	10.6	(3.6)
Total	$ 12,431,398	$ 12,481,840	$ 12,338,371	$ 12,239,653	$ 13,284,306	(0.8)%	8.5%

Source: Utah State Tax Commission

BANK DEPOSITS LAST TEN YEARS

Year Ended	Bank Deposits (Expressed in Thousands) (A)
June 30,	
1989	$ 14,957,135
1988	$ 14,607,639
1987	$ 15,478,452
1986	$ 14,221,106
1985	$ 13,261,869
1984	$ 12,893,639
1983	$ 11,841,786
1982	$ 10,480,883
December 31,	
1981	$ 10,535,063
1980	$ 10,702,840

(A) Note: Figures do not include National Credit Unions.

Source: Utah Department of Financial Institutions

STATE OF UTAH

Largest Employers

As of March 1989

	Number of Employees (A)
Hill Air Force Base	14,000
State of Utah	14,000
Brigham Young University	13,000
University of Utah	12,500
Morton-Thiokol, Inc.	8,000
Granite School District	7,000
Jordan School District	6,000
U.S. Treasury Dept. - IRS	6,000
Utah State University	5,000
Smith's Foods	5,000
Hercules, Inc.	4,500
Pacific Corp.	4,500
Davis County School District	4,000
Delta Airlines	4,000
U.S. Post Offices	4,000
Tooele Army Depot	4,000
Alpine School District	3,500
Salt Lake County	3,500
ZCMI	3,500
Salt Lake School District	3,000
Unisys Corp.	3,000
U S West Communications	3,000
Albertson's, Inc.	3,000
Weber County School District	2,500
Kennecott Corp	2,500
Basic Manufacturing & Tech	2,500
K-Mart Corp	2,500
Weber State College	2,500
Salt Lake City Corp.	2,500
LDS Hospital	2,500
Nice Corp.	2,000
Fred Meyer	2,000
SOS Service	2,000
Union Pacific Railroad	2,000
Defense Depot - Ogden	2,000
Utah Valley Regional Med Center	2,000
McKay-Dee Hospital	2,000
The Hospital Corp.	2,000

NOTE: The Church of Jesus Christ of Latter-Day Saints remains one of the State's largest employers, however, figures were not available for 1989.

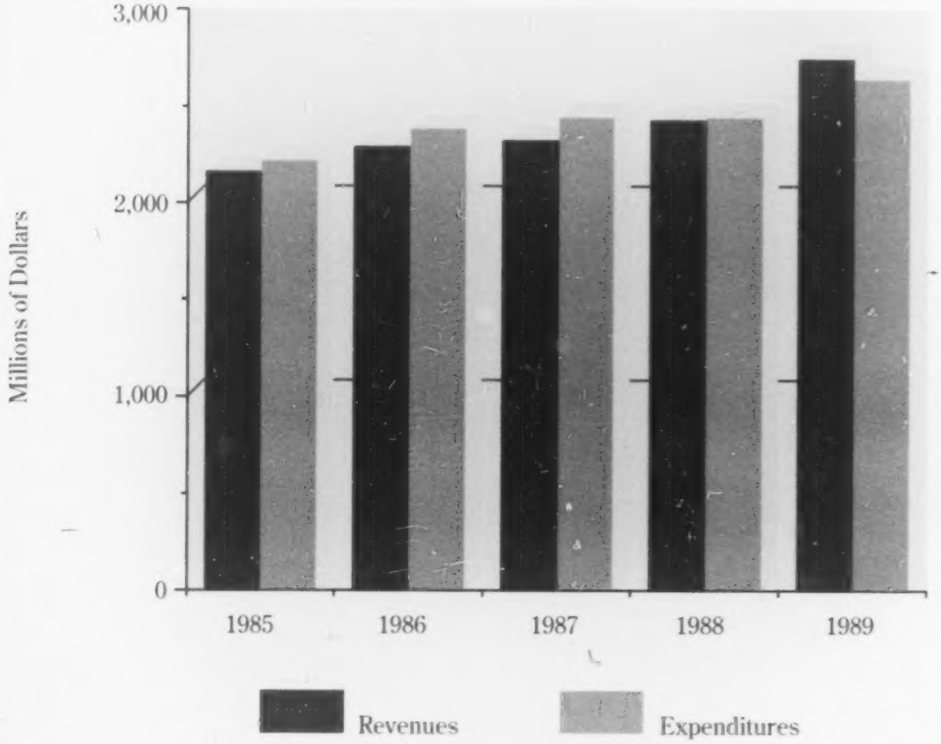
Sources: State of Utah from State Payroll Coordinator; all others from Utah Department of Employment Security.

(A) All amounts are rounded.

STATE OF UTAH

Revenues and Expenditures All Governmental Fund Types

For the Last Five Fiscal Years



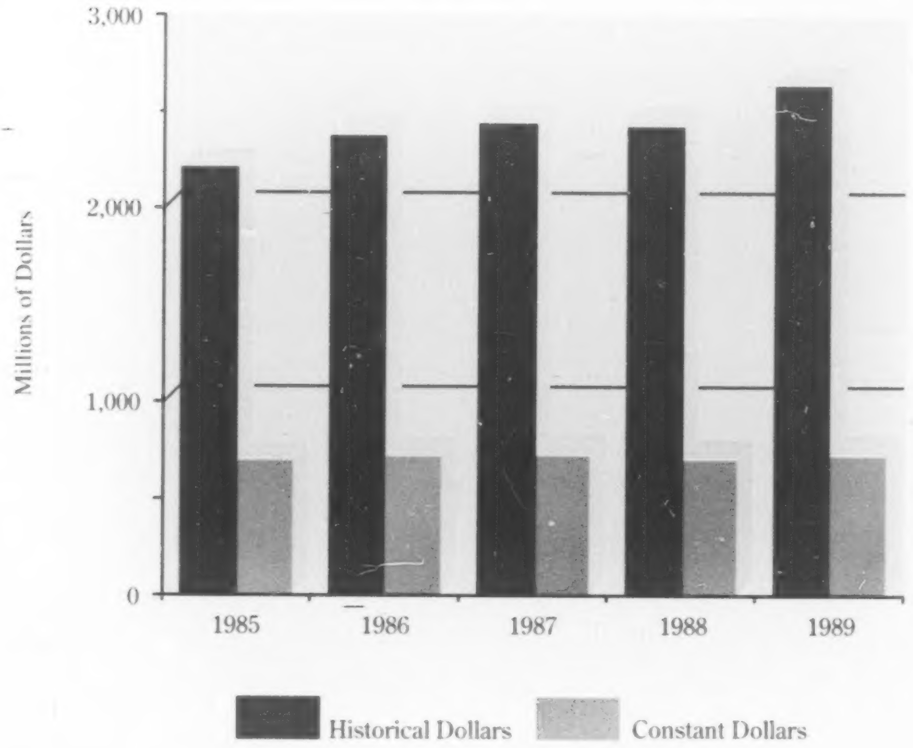
	(Dollars Expressed in Millions)				
	1985	1986	1987	1988	1989
Revenues	$ 2,163	$ 2,290	$ 2,320	$ 2,427	$ 2,742
Percent Change Over Previous Year	10.7%	5.9%	1.3%	4.6%	13.0%
Expenditures	$ 2,212	$ 2,369	$ 2,437	$ 2,432	$ 2,642
Percent Change Over Previous Year	13.5%	7.1%	2.9%	(0.2)%	8.6%

Revenues and expenditures of "All Governmental Fund Types" include: The General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

STATE OF UTAH

Expenditures Historical and Constant Dollars All Governmental Fund Types

For the Last Five Fiscal Years



	(Dollars Expressed in Millions)				
	1985	1986	1987	1988	1989
Historical Dollars	$ 2,212	$ 2,369	$ 2,437	$ 2,432	$ 2,642
Percent Change Over Previous Year	13.5%	7.1%	2.9%	(0.2)%	8.6%
Constant Dollars (A)	$ 698	$ 727	$ 731	$ 712	$ 728
Percent Change Over Previous Year	9.2%	4.2%	0.6%	(2.6)%	2.2%

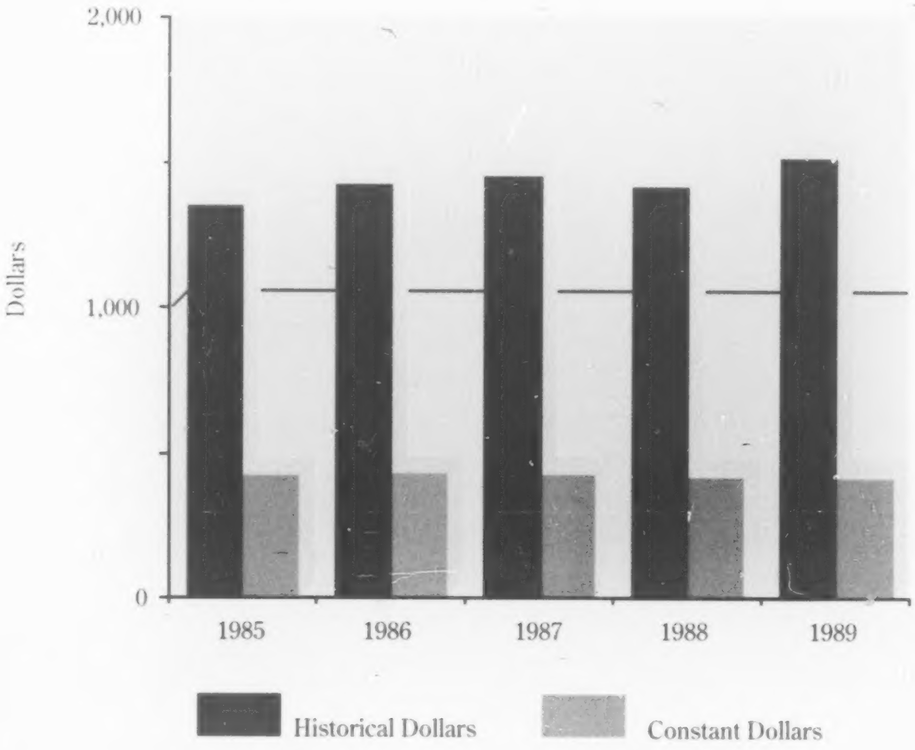
Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban consumers.

STATE OF UTAH

Per Capita Expenditures Historical and Constant Dollars All Governmental Fund Types

For the Last Five Fiscal Years



	1985	1986	1987	1988	1989
Historical Dollars	$ 1,345	$ 1,422	$ 1,451	$ 1,421	$ 1,519
Percent Change Over Previous Year	12.0%	5.7%	2.0%	(2.1)%	6.9%
Constant Dollars (A)	$ 425	$ 436	$ 435	$ 416	$ 418
Percent Change Over Previous Year	7.9%	2.6%	(0.2)%	(4.4)%	0.5%

Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban consumers.

STATE OF UTAH

Expenditure Comparison by Type
General Fund

(Expressed in Thousands)

	For the Fiscal Year Ended June 30			
	1989	**1988**	**Dollar Change**	**Percent Change**
Personal Services	$ 231,269	$ 219,515	$ 11,754	5.4%
Health Insurance	24,201	20,016	4,185	20.9
Retirement Benefits	29,134	25,715	3,419	13.3
Early Retirement Lump Sum Payment	—	5,847	(5,847)	(100.0)
FICA	17,113	15,892	1,221	7.7
Other Employee Benefits	8,185	7,591	594	7.8
In-State Travel	4,108	3,874	234	6.0
Out-of-State Travel	2,791	2,257	534	23.7
Data Processing	22,704	20,457	2,247	11.0
Communications	6,778	5,823	955	16.4
Professional and Technical Services	23,374	25,647	(2,273)	(8.9)
Employment Security Operations	34,181	35,174	(993)	(2.8)
Retirement Administration	8,071	7,561	510	6.7
Rent – Land and Equipment	8,184	8,863	(679)	(7.7)
Maintenance – Buildings and Equipment	11,554	11,101	453	4.1
Tax Anticipation Interest	—	5,034	(5,034)	(100.0)
Utilities	6,211	6,652	(441)	(6.6)
Other Current Expenditures	48,802	44,091	4,711	10.7
Land	3,255	3,385	(130)	(3.8)
Data Processing Equipment	7,848	7,365	483	6.6
Other Capital Outlays	27,403	8,374	19,029	227.2
Allocations to Institutions of Higher Education	350,030	336,095	13,935	4.1
Public Assistance Payments	154,980	151,197	3,783	2.5
Welfare Medical Payments	221,812	212,577	9,235	4.3
Social Services Block	18,573	20,693	(2,120)	(10.2)
W.I.C. Payments	14,790	12,640	2,150	17.0
Family Services – State Funded Programs	30,739	32,367	(1,628)	(5.0)
Cooperative Agreements	6,948	5,952	996	16.7
Payments to Other Governments	58,444	42,767	15,677	36.7
Distributions to Local School Districts	—	54	(54)	(100.0)
Other Service Payments	29,175	29,868	(693)	(2.3)
Pass Through Funds	1,544	2,014	(470)	(23.3)
Total	$ 1,412,201	$ 1,336,458	$ 75,743	5.7%

STATE OF UTAH

Expenditure Comparison by Type
Uniform School Fund
Transportation Fund

(Expressed in Thousands)

UNIFORM SCHOOL FUND

	For the Fiscal Year Ended June 30			
	1989	1988	Dollar Change	Percent Change
Personal Services	$ 15,720	$ 16,451	$ (731)	(4.4)%
Health Insurance	1,615	1,385	230	16.6
Retirement Benefits	2,000	1,759	241	13.7
FICA	1,196	1,182	14	1.2
Other Employee Benefits	509	308	201	65.3
In-State Travel	454	430	24	5.6
Out-of-State Travel	217	188	29	15.4
Data Processing	2,863	2,585	278	10.8
Communications	436	422	14	3.3
Professional and Technical Services	3,165	2,310	855	37.0
Rent – Land and Equipment	1,037	1,142	(105)	(9.2)
Maintenance – Buildings and Equipment	110	119	(9)	(7.6)
Utilities	355	350	5	1.4
Other Current Expenditures	798	2,328	(1,530)	(65.7)
Capital Outlays	511	504	7	1.4
Payments to Other Governments	17,667	24,738	(7,071)	(28.6)
Distributions to Local School Districts	755,287	722,139	33,148	4.6
Other Service Payments	14,950	6,663	8,287	124.4
Area Vocational Centers	10,057	6,652	3,405	51.2
Total	$ 828,947	$ 791,655	$ 37,292	4.7%

TRANSPORTATION FUND

	For the Fiscal Year Ended June 30			
	1989	1988	Dollar Change	Percent Change
Personal Services	$ 38,203	$ 37,690	$ 513	1.4%
Health Insurance	3,586	3,519	67	1.9
Retirement Benefits	4,799	4,035	764	18.9
FICA	2,858	2,713	145	5.3
Other Employee Benefits	1,465	675	790	117.0
In-State Travel	692	579	113	19.5
Out-of-State Travel	115	100	15	15.0
Data Processing	3,211	2,587	624	24.1
Communications	612	616	(4)	(0.6)
Professional and Technical Services	18,852	16,432	2,420	14.7
Materials and Supplies	20,466	17,882	2,584	14.5
Rent – Land and Equipment	12,294	12,414	(120)	(1.0)
Maintenance – Buildings and Equipment	1,266	1,331	(65)	(4.9)
Utilities	2,238	2,094	144	6.9
Other Current Expenditures	8,846	8,335	511	6.1
Land	9,210	3,487	5,723	164.1
Highway Construction	188,822	127,804	61,018	47.7
Other Capital Outlays	15,872	10,834	5,038	46.5
Payments to Other Governments	49,459	44,827	4,632	10.3
Pass Through	13,136	12,048	1,088	9.0
Total	$ 396,002	$ 310,002	$ 86,000	27.7%